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# West Europe Report

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13 MAY 1987

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## ND SEEN WINNING VOTES BY DEFAULT

Athens KYRIAKATI KI ELEVTHEROTYPIA in Greek 12 Apr 87 p 38

/Article by Panos Loukakos/

/Text/ Over the past few months we have been following some very clear messages that show that something is changing in the political geography of the country. Last October, ND was the real winner in the municipal elections, literally trespassing into an area which traditionally was privileged for the Left generally speaking. There followed the elections in the attorney associations where once again the major government opposition party increased its percentage. Also, the student elections where for the first time ND obtained first place, then elections in the medical associations where the same phenomenon was repeated. ND also increased its percentage in the cooperatives elections while at the same time yet another green "bastion," the Pan-Cretan Union, went to the candidate that was supported by ND.

If, therefore, we want to call things by their real name there is at this time a substantial turnabout in the political current. The so-called middle-level strata that usually constitute the decisive factor in elections are in a state of change. The farmers too who in recent years have made up the most compact electoral reservoir for PASOK are also changing. The pyrotechnical displays unleashed from time to time by the government party can no longer turn aside the current. While Mr A. Papandreou had completely won the battle of impressions in the recent Greek-Turkish crisis, students and physicians voted against PASOK. While Mr Tritsis "got property away from the bishops"--as populist propaganda that accompanied the bill maintained--the farmers greatly increased ND's percentage in the cooperatives elections.

We therefore have a new phenomenon: ND is steadily moving up while PASOK is steadily dropping. As for the communist Left, it merely holds on to its forces or has suffered slight losses. In simple terms, all of this means that there is a turnabout in the entire political spectrum toward the Right. So, the current situation brings to mind in a way the 1980-1981 period when PASOK galloped along toward power while ND, despite all its efforts, continually lost its electoral strength. Nevertheless, the fact that the situation is similar does not automatically mean that the results too will be similar.

In 1981, ND had had 7 years in power and had to confront a robust government opposition party, a power on the rise, that had not yet been tested and for that reason had garnered all the hopes of the electorate. Today, PASOK has suffered all the damage of its 6 years in power but it is face to face with a party that cannot convince anyone that it constitutes a credible and better alternative solution. Not only because ND was not essentially renovated in the 6 years that it has been a major government opposition party but because it could not discover that new political form of speech that would have created a popular current similar to that of PASOK in the pre-1981 period. If, in other words, PASOK is today in ND's position in 1981, ND is not in PASOK's position of that time. This is not a theoretical presumption. The signs that showed PASOK's fall were already evident from the time of the 1985 elections. And yet Mr Papandreou gained victory having Mr Mitsotakis as his opponent. About a year later, however, ND's young candidates in the municipalities crushed the government candidates.

What does this mean? Possibly that the votes on behalf of ND's candidates in the municipal, associations, labor unions, etc. do not constitute a "position" as such but "opposition" to PASOK. Possibly the electorate, called on to vote for a Chamber of Deputies, will not operate as it does today in various elections. It possibly means that in today's political life in Greece a huge vacuum is being created that no one can fill.

It is true perhaps that we are just now living through the twilight of the post-dictatorship political period. Mr Konstandinos Karamanlis completely dominated the political scene between 1974 and 1981. From 1981 until now Mr Andreas Papandreou has dominated, thoroughly following the tactics and political logic of his predecessor. It is, however, very doubtful to what extent Mr K. Mitsotakis can become Karamanlis' and Papandreou's successor. Not only because he does not have the political charisma of his predecessors but because he does not have anything new to say that would rally voters around his party. In 1974, Mr Karamanlis brought many new things into the political life of the country. Mr Papandreou did the same in 1981. Mr Mitsotakis, however, constitutes today the "opposition" only and not a "position." This is evident given the fact that ND is now doing nothing more than merely mimicking Mr Papandreou when he was in the opposition.

It promises everybody everything, knowing at the same time that the public coffers are and will remain empty. It confronts foreign policy, with the recent Greek-Turkish crisis as an example, by making use of populist and nationalistic themes used by PASOK in the post-dictatorship period. It stands at the side of the workers and adapts every logical or illogical demand of theirs, exactly as PASOK did when it was an opposition party. But all of this that finally brought Mr Papandreou to power does not mean that they will work in the same way and on behalf of Mr Mitsotakis. For one simple reason: Because the play has already been performed before and everybody knows where it led to. Because PASOK's populism no longer is being turned against it but against all those who followed the same path, coming either from the Left or Right. Today's crisis of confidence strikes all political areas indiscriminately and it is perhaps for that reason that the Greek people no longer meet at political gatherings whenever some crisis comes up but rather at supermarkets.



If there is today some demand from the grass roots, a demand that is voiced not only through a positive or negative vote but through abstention from political life, it is that the rules of the game be changed, it is that a new and modern political game plan be formulated and not that the exact same procedure with a different name be followed. At the point to which PASOK has come today it is very unlikely that it can ever rise up from its ashes. At the point where ND is today it is also very unlikely that it can formulate that political game plan that would rally voters around it. At the point where the communist Left is today it is again difficult for it to become the motive power for a change in the political scene. All of these things taken together, this collective inability by various political leaders to meet the demands of the times, constitutes the essence of our enormous political problem at present.

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CSO: 3521/110

## REVIEW OF RECENT VOTING POINTS TO PASOK FAILURE

Athens MESIMVRINI in Greek 6 Apr 87 p 6

/Article by Khr. Pasalaris/

/Excerpts/ Today, just 12 hours after the Aegean crisis during which two prime ministers having complete authority (Andreas and Ozal) were called on to play the role of "knight" on the Aegean chessboard, a white knight for the Shultz school and a black knight for the Perle school, we now find ourselves sailing along in much more shallow and calm waters with the table set for Messrs Keeley and Papoulias to work on the new bases agreement.

At the same time, however, party foxes, with thermometers and pressure gauges in hand, are taking and retaking the temperature and blood pressure of the masses. They are waiting for secret polls to say if whether or not they must now risk recourse to elections so as to usurp a third 4-year term of office long before the second has come to an end or to wait until the end of 1988 for the end of economic austerity, for the building of some enclosure on the Akheloos and for buttering up the farmers with some piece of pastureland derived from church property or from the Greek royalty estates as Andreas said in Kileler.

Whatever happened from 1972 to 1981 with regard to one side is now being repeated by the other side with that implacable principle that governs ebb and flow of developments and that nothing can neutralize. Just as the unionized physicians and cooperative farmers went to the polls in the past and present to subject PASOK to yet another condemnatory cold shower, just as 150,000 students gave the government a most grievous blow by electing DAP /Democratic Renewal Vanguard/ to first place for the first time and just as the church is increasing its anti-Caesar fight by mobilizing ever growing multitudes, as occurred in Salonica yesterday, we had to look back on the elections held between the October 1986 municipal elections until now to discover that PASOK did not win any single election. It is falling everywhere, it is losing everywhere, it is being crushed everywhere and it is being condemned everywhere. Take a look at the figures:

In the 12 October municipal elections, the people took the "Right" out of the cupboard and entrusted it with hundreds of municipalities and communities including Athens, Piraeus and Salonica. Evaluations have shown that PASOK lost about 14 points.

In the October student elections, MAKI /Student Independent Movement/ won 55 percent compared to the 52 percent it had previously, while PASOK dropped 26 percent.

In the tax collector elections in October, ND obtained 51.5 percent in Salonica and 44.4 percent in Athens with PASOK getting 40.6 and 45.6 percent respectively.

In the ADEDY /Supreme Civil Servants Administrative Committee/ elections in November, ND acquired 26 seats compared to the 25 it had previously. And in the Attiki Labor Center elections in November, ND received 11.16 percent for the first time, while PASOK dropped from 35 percent to 30.44 percent. The same happened in dozens of other labor unions.

In the 15-member student councils that were elected at the end of November, MAKI received 56.21 percent compared to the 55.32 percent it had previously, while PASOK dropped from 24.93 percent to 21.19 percent.

On the new GENOP /as published/-DEI /Public Power Corporation/ administrative council elections, ND increased its seats from 4 to 6 in November, while PASOK dropped from 19 to 12.

In the Geotechnics Chamber elections, ND got 42.8 percent, while PASOK got 32.5 percent.

In the OTE /Greek Telecommunications Organization/ technical staff elections in December, ND received 43 percent and PASOK 25 percent. In the OTE elections, ND received 42 percent compared to the 40 percent it had previously, while PASOK received only 28 percent and those purged from PASOK received 12 percent.

In the repeat elections in January held in Kaisariani, Agia Varvara and Spata, ND increased its strength by 4-18 percent compared to October, while PASOK lost out here too.

In the first year university school elections, DAP won 40-50 percent while PASOK dropped down to 15 percent.

In the hospital physicians elections in February, PASOK dropped to 21.13 percent from 31.34 percent it had in 1982.

In the attorney elections, ND obtained 44 percent, while PASOK dropped to 19 percent in Athens and 22.5 percent in Salonica.

In the dentist elections in March, ND garnered 52.33 percent compared to the 47.8 percent it had previously, while PASOK dropped to 17.3 percent compared to the 25 percent it had in 1986.

In the Pan-Cretan Union elections, PASOK suffered the catastrophe of catastrophes.

In the pharmacist elections on 30 March, ND got 64.3 percent compared to the 77 percent /as published/ it had previously, while PASOK dropped to 16.4 percent from the 22.5 percent it had previously.

These are but few of the countless associations where the same ratios prevail, with the permanent phenomenon being PASOK's slide and ND's steady climb. We have included them so that the reader may see that we are not just talking about the Industrialists Association or a Shipowners Union or about social clubs where, moreover, the power balance is doubtful since the cross-eyed PASOK craftily plays with big capital equally with the socialist cap.

We are talking about millions of day wage earners, pensioners, students, professionals, technicians, civil servants and private employees. About the big mass of the Greek people who comprise the so-called electorate of 8 million votes that PASOK twice led astray with so much cynicism and usurped its votes.

So, these same people have definitely and irrevocably turned around. And let those few from our own social class come out and say that in the long run Andreas will once again win the elections either because the Americans supposedly want him or because the masses supposedly are hesitant or because the centrists supposedly have not "moved" toward Mitsotakis or because ND supposedly has not yet been convincing that it could govern (one would say that PASOK showed that it could!).

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## LIST OF PAPANDREOU STAFF, COST OF SALARIES

Athens ETHNOS in Greek 8 Apr 87 p 14

/Text/ Following a question raised by Mr M. Drettakis, an independent deputy, Minister to the Prime Minister Ap. Kaklamanis submitted to the Chamber of Deputies the salaries paid to "the prime minister's personnel." In a statement made by the deputy, that is appended to the answer, he mentions that "in the period 1982-1985, the total amount of the Political Office's expenditures more than tripled, while expenditures for salaries for political employees increased more than five times and expenditures for overtime almost doubled."

The following picture appears from data provided for 1986 compared to 1985:

Expenditures	1985	1986	1986/1985 Increase
Total Expenditures	107,209,000 drachmas	150,628,000 drachmas	40.5 percent
For political employee salaries	67,002,000 drachmas	95,163,000 drachmas	42.0 percent
Overtime	26,987,000 drachmas	39,554,000 drachmas	46.6 percent
Remaining expenses	13,220,000 drachmas	15,911,000 drachmas	20.4 percent

The table with regard to the Political Office is as follows (whenever no amount is given this means that the individual is getting his salary from the service from which he has been detached):

		Net Earnings	Net Overtime
Andonis Livanis	Director General	1,142,445	476,899
<u>Private Office</u>			
Angela Kokkola	Director	1,351,629	484,924
Kyveli Zografidou	Special Secretary	1,282,404	418,646
Maria Karageorgiou	Special Secretary	1,413,515	418,646
Mikhalis Ziogas	Private Secretary	1,416,816	458,437

<u>Supervisors of Special Offices</u>		Net Earnings	Net Overtime
Georgios Kasimatis	Legal Office and legal adviser	490,633	-
Khristos Makhairitsas	Diplomatic Office and diplomatic adviser	1,634,031	494,922
Giannis Papanikolaou	Economic Office and economic adviser	1,634,031	494,922
Georgios Politis	Military Office and military affairs adviser	167,902	-
Georgios Roumbatis	Press office and adviser	1,362,024	467,889

Special Advisers-Associates of the Prime Minister  
Advisers:

Andonis Stratīs	Political communications issues	1,584,778	-
Kharalambos Nikolaou	Technical issues	1,446,922	459,609
Sotiris Kostopoulos	Issues dealing with communication with citizens	1,659,826	467,889
Themistoklis Lambrianopoulos	Health issues	1,573,727	467,889
Ioannis Manzouranis	Issues dealing with organization of public administration	1,568,327	450,506
Ioannis Roumbatis	Foreign press issues	-	-
Konstandinos Balerbas	Technology issues	1,431,334	429,276
Petros Ioannou	Technology issues	982,629	274,823
Evangelos Skoulas	Agricultural cooperatives issues	746,731	213,585

Associates:

Georgios Kissonas	Liaison between prime minister and General Secretariat for Press & Information	1,459,122	418,646
Georgios Drys	Agricultural cooperatives issues	247,773	-

Special Associates of Special Offices  
Legal Office:

Maria Dotsika	Labor and common law issues	1,444,213	418,646
Nikolaos Mikhalakis	Trade union and administrative law issues	716,589	-
Sotiris Lytras	Administrative law issues	436,939	-
Thodoros Vais	Constitutional law and labor relations issues	1,189,201	320,165
Eleni Koutsimbou	Public law and public administration issues	146,005	-

		Net Earnings	Net Overtime
<u>Economic Office</u>			
Nikolaos Garganas	Economic problems issues	388,119	178,006
Kharal. Stamatopoulos	Balance of payments issues	1,258,594	380,696
Theonymfi Papageorgiou	Quality of life issues	1,264,563	418,646
Nikolaos Bertzos	Credit policy and private investment issues	-	152,547
Nikolaos Vasilakos	Energy policy and environment issues	889,010	291,932
Vasilis Bantekas	Business surveys issues	267,358	-
<u>Diplomatic Office</u>			
Georgios Dimitrakopoulos	U.S., Far East relations issues	609,690	172,792
<u>Recallable Employee Positions</u>			
<u>Political Office Director General's Service</u>			
Kon. Nikolopoulos		1,265,883	179,397
Theofilos Papasarandis		1,354,260	186,952
Afroditi Lytra Batsiou		1,316,773	200,691
Giannis Kyriakakis		1,317,382	200,691
Giorgos Malliktakis		1,226,634	204,942
Stavroula Flyssa Danou		1,295,163	228,460
Georgios Spanos		858,510	150,808
Evangelia Gakopoulou		923,076	123,825
Vasilis Mitropoulos		534,643	-
Kleoniki-Elisavet Karimali		-	150,612
Khrysoula Karagiannidou		846,467	108,087
Argyro Alevizopoulou		1,202,363	184,733
Giorgos Selveris		-	-
Stella Gogou		-	-
Lemonia Tragousti-Dakmalidi		827,784	59,352
Eleni Asklakopoulou		768,574	88,270
Evgenia Xanthipou-Skevi		1,005,445	130,367
Kyratsi Kalogeraki		693,539	113,056
<u>Legal Office</u>			
Theodoros Vais		-	-
Elisavet Nikolaidou		805,830	99,260
Athina Xenaki		1,094,768	-
Vasiliki Nikolopoulou		1,138,903	200,691

	Net Earnings	Net Overtime
<u>Special Office</u>		
Panagiota Pantazi-Kafiri	969,020	141,620
Magdal. Khrysikopoulou	78,499	12,464
Kharikleia Kolokatsi	82,641	12,985
Amalia Papanagiotou	923,360	114,379
Maria Polykhroniou	1,032,916	139,355
Efthymia Bambeta	699.165	90,463

<u>Economic Office</u>		
Kanella Nikolaou	1,011,013	146,557
Eleni Bantra	904,016	85,326
Maria Marketou	923,076	123,825
Anna Plessa	888,107	111,197
Diam. Nikolopoulou-Fakitsa	958,060	120,403
Evangelia Roupakia	555,802	69,678
Flora Papadimitriou	959,444	119,497
Ioannis Khrysikopoulos	926,042	138,508
Alexis Pikoulas	-	100,456

<u>Diplomatic Office</u>		
Evelina Terlixidou	-	157,057
Maria Savva	994,636	131,082
Nikolaos Pazios	-	89,160
Nikolaos Garilidis	-	89,160
Vasiliki Argyriou	-	121,317
Andreas Papadakis	-	89,160
Petros Pangiotopoulos	-	89,160
Marianna Tzevelekou	916,834	78,392
Konstandina Melissova	1,034,738	139,355

Alternate Director General's Office

Kon. Geitonas                      Alternate director general

Recallable Employees

Kas. Mandzourani  
Korina Smyrli

Earnings due to detachment from Investments Bank  
Earnings 5,514 from Business Credit Bank 6,678



	Net Earnings	Net Overtime
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Secretariats

Government Council

Special Associates:

Nikolaos Varelidis	1,301,902	418,646
Konstandinos Petouris	1,299,454	369,256
Viktoria Sotiriadou	547,654	164,242

Recallable Employees:

Eleni Bandra	-	-
Pan. Stavrou	559,675	73,062

Supreme Economic Policy Council

Special Associates:

Adamandia Lazari	1,274,883	359,908
Emmanouil Zanthalis	710,185	-

Assignment of duties with bonus:

Spyros Pappas	Assistant, Council of State	-	-
Nikolaos Sklias		409,084	-
Stavros Kharalambous	Examiner, Council of State	42,443	-
Fotios Stergiopoulos	Assistant, Council of State	103,781	-
Pavlos Kotsonis	Examiner, Council of State	213,652	-

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CSO: 3521/110

## COMMENTARY ON RECENT AEGEAN CONFRONTATION WITH TURKEY

## Political Mistakes Pointed Out

Athens POLITIKA THEMATA in Greek 3-9 Apr 87 pp 19, 20

[Text] The 48-hour crisis Greece faced showed in its full measure the absence of political planning in the event of a sudden exacerbation of Greek-Turkish relations. This resulted in several errors and omissions.

Of course the General Staff moved on the basis of its plans and in partial implementation of the necessary measures. We shall not discuss here those measures. We may say, however, that the recent extensive personnel changes in the Armed Forces caused a serious upheaval which made it necessary for commanders and senior officers, who had been transferred during the recent officer evaluations, to move back to their former posts.

We may add that although military deployments were carried out with a measure of discretion, they still revealed the military mobilization plan of the Armed Forces and the point where they moved troops and materiel for defense. It is interesting to note that no special military moves were undertaken by Turkey. Military forces are, of course, mobilized when its adversary also gathers its forces at assault points and not when a scientific research vessel sails.

But, then, what are the intelligence services doing? Did they also learn about what was going on by reading the newspapers or did we have a repeat of the 1974 crisis in Cyprus when the information was known but was not utilized?

## Anti-European Views

Error No. 1. From the outset the government gave the tone of war confrontation with Turkey, avoiding any recourse to international organs (the UN Security Council, the EEC, NATO). Unlike the stand of K. Karamanlis in a similar case with "Sismik" in 1976, the Papandreou government chose to brief the ambassadors--giving a preference to those of the Eastern countries, thus showing its choices--without turning to the United Nations or NATO.

But above all the government ignored the EEC, although it could have asked for a special meeting of the Foreign Ministers' Council in the context of the Community's political cooperation.

This must have been duly noted by the Community, especially at a time when Turkey knocks at the door for admission. The other day, on the very same day Greece was resorting to military measures, giving the impression of a state facing an imminent threat of war, Turkey informed officially the EEC through Turkish Deputy Minister of Foreign Affairs Ali Bozer its political decision to submit in the near future its application for induction into the Community.

#### Anti-Americanism

Error No. 2. The premier's phraseology during his briefing of the cabinet ("we clearly placed NATO and the USA before their historic responsibilities," and "the US not only gives increasing support to Turkey's military power but covers up and tolerates even the most lawless actions of Turkey"), as well as his hasty moves, such as the closing of the Nea Makri American base, set in motion and strengthened anti-Americanism at the very moment Greek-American relations require a more careful handling.

Result: Now that the crisis is over, Turkey has certainly gained more confidence [among the allies] than Greece which in a moment appeared to turn to or to seek the assistance of the Warsaw Pact countries. It was obvious that the government was trying in this way to restore its relations with the Left.

#### Inadequate Information?

Error No. 3. By its military mobilization Greece gave the impression of a country facing unprovoked aggression, but no similar military measures were evident on the other side.

What were our intelligence services doing? Did they gather information indicating that attack was imminent to justify the mobilization or did we exceed the usual measures under the impression of exaggerated fears?

Every staff officer knows that for every [hostile] action there are corresponding deployments and plans. But mainly in every case it is necessary to provide for how a confrontation should go. In fact, there are specialists who analyze and interpret crises.

Did the intelligence services have reports for the upcoming crisis or did they not? And if they had such information, how is it that the general staffs went ahead, a few days before the crisis, with changes in the top military echelons, thus reducing the preparedness of the Armed Forces?

If they did not have such reports then, either Turkey had no warlike intentions and the whole issue was an "imaginary war threat," or the intelligence services should be swiftly changed because of incompetence.

We prefer to accept the first possibility in which case we must point to the additional issue of governmental responsibility, because Greece was shown to suffer of quixotic hallucinations resorting for no reason at all to extraordinary war measures!

A Personal Matter?

Error No. 4. Is the placing of the country on a war footing a personal matter and responsibility of one man? What is the role of the Legislature in such matters or is it only there to talk about legislative matters?

If Papandreou wanted to inform the people, instead of going through the comedy of the cabinet meeting (where some ministers continue to smoke their pipes fiercely as though they were in a cafeteria) in the presence of journalists--another innovation--and of some aides, he would have called the Chamber of Deputies [Vouli] in an extraordinary morning session to present his statement.

By ignoring Vouli he wounded the democratic system and its institutions. When? At the very time the reference to the danger would exert a uniting influence on the people since the political leaders would have added their voice.

Would it be too much to expect from the Vouli speaker to protest to the premier who is also his party leader?

#### Military Changes Scored

Athens POLITIKA THEMATA in Greek 3-9 Apr 87 p 20

[Text] Now that the crisis and excitement are over (A. Papandreou: There is no more crisis), it is useful to talk about the recent mass retirements and the effect this might have had on the development of the crisis, had the crisis escalated.

It is not necessary to be an expert to understand the significance of retiring more than 100 colonels and other senior officers. The next step, of course, is promotion of a corresponding number and removal of those passed over, which means the transfer or removal of hundreds of officers from key command posts and staff positions.

Every year war games are conducted so that the officers can become acquainted with the area where they may have to implement existing plans. Otherwise, it is possible to have conditions develop when almost no one knows at least what is absolutely essential. (This is confirmed by the temporary recall of officers transferred during the recent evaluations.)

The leadership of the Armed Forces can be compared to an annual climbing plant which is planted in early spring, blooms in the summer, and withers in the fall. In the winter months it is uprooted in order to "renew" it.

Many think the leadership of the Armed Forces includes only the chiefs of services or at most the lieutenant generals. This is not so. The leadership includes every officer who holds command of a unit or a senior post. Such officers cannot be just "passing through." The higher the post the longer the time of service at that post should be. It must be at last understood that the ranks and the posts are not like guard duty which all shall do equally in turn.

The customary ways and claims about "renewal", "pressure from below," "get those out so others can have a chance," the question of "development" and the characterization of "Metropolitan" for those whose term is sometimes extended, are good for some, bad for others. But they are certainly bad for the quality of the cadres and the fighting ability of the Armed Forces (they also open the way for removal of officers who are capable but undesirable).

The problem of improving the ability of cadres, their performance and experience by having enough time in various posts and commands, is becoming more acute because thanks to a long period of peace the Armed Forces do not have officers with war experience.

#### Both Sides Seem Losers

Athens MESIMVRINI in Greek 1 Apr 87 p 6

[Article by K. Kolmer: "The Papandreou-Ozal Backstage Play"]

[Excerpts] The Countdown

For the first time our European partners understood that it is not Greece which does not accept the dialogue but Turkey, which behaves on the principle that might is right.

Turkey, however, is no longer as powerful as it was a year ago when it reached the zenith of its comparative strength. The Turkish economy is again showing signs of its previous weaknesses with a large deficit in the balance of payments and a high price "fever" (inflation).

Indeed, one may say that the weakening of the Turkish economy resulting from the foolish decision to rely on the Arabs as "brother Moslems" may now push Ozal to search for a solution with Western assistance.

Specifically, Ozal tries to extort special economic aid from the EEC, by submitting an early application for induction into the Community--an application the 12 member-states will reject unanimously and refer to the "Commission" for "an opinion"--and for indefinite delay.

Moreover, he pushes for a confrontation with Greece, possibly to disorient Turkish public opinion for the growing economic difficulties--something our own A. Papandreou, another champion of disorienting Greek public opinion, seems to face.

While for A. Papandreou the conflict with Turkey is a God-sent gift he can use to bring all Greeks to his side, for Turgut Ozal it is a cause of friction, internally and externally.

Internally, because every one in Turkey realizes that the Aegean is not an issue of high priority for the country, at a time when Turkey faces other problems such as the economy, the Kurds, the Iran-Iraq war, Islamic fanatics, and the dispute with Bulgaria over the "Bulgarization" of the Moslems in Rodopl [South Bulgaria].

Externally, because it is an evident contradiction for Turkey to seek to become the thirteenth member of EEC while it threatens with war its twelfth member--Greece.

We said this before and we shall say it again: Time is no longer on the side of Turkey--and this is why Turkey has become so aggressive and, therefore, so dangerous.

We may add that if as a nation we were able to become quickly Europeanized and abandon our abrasive and anti-Western attitude, we may very likely avoid a confrontation with Turkey. But something of the sort would require a profound change in our way of thinking and a dismissal of socialism, genuine or ersatz (with a failing grade, of course).

#### What Greece Has Lost

Socialist Greece, too, came out a loser from the latest confrontation with Turkey. The loss is that Andreas Papandreou gave up Greece's right to drill in the Aegean within the 12-mile territorial waters recognized by international law and the Law of the Sea.

--First, Papandreou revoked the permit given by the last ND government for drilling underwater 10 miles east of the Thasos Island, within the 12-mile territorial waters, which under international law are under the jurisdiction of every coastal country.

--Second, Papandreou announced the nationalization of the North Aegean Petroleum Company [NAPC] to prevent this drilling east of Thasos (26 February 1987). He stated that "the Greek government wanted (through nationalization) to have the right to veto any drilling before it starts because it was an exceedingly sensitive issue which affected Greek-Turkish relations." (See Financial Times, 28 March 1987, p 26.)

--Third, Greece lost also because the same oil company (NAPC) told the world press (see Financial Times, 28 March 1987) that "the earlier decision to conduct undersea drillings 10 miles east of Thasos has been indefinitely postponed."

NAPC specifically stated that "it froze its plans to begin drilling east of Thasos on 28 March." Thus, Greece will desist henceforth from the possibility of conducting any drilling beyond the six-mile limit in the Aegean, even in the case of Thasos, or the Thermaikos Gulf or the Artemision Cape. Thus, we lose the chance to take out daily over 50,000 barrels (which amounts to one-sixth of the country's needs) of oil--which have been located east of Thasos and within the 12-mile limit. Papandreou used to talk about the 12 miles when he was in the opposition, but now he has forgotten socialistically all about it.

But there is something worse in sight. Papandreou may go to negotiations with Turkey for a distribution or delineation of the Aegean continental shelf, having Lord Carrington, the NATO Secretary General acting as a mediator. This would be worse than a mistake. It would be a misstep of first magnitude because we would place our national rights under guardianships, when they would be judged not under the rules of international law but under the criterion of the alliance interests and therefore under the prism of favoring the "stronger" ally.

#### The Worst Error

Where do we base our suspicion that Papandreou is drawn into bilateral negotiations even with Carrington as the mediator?

First, Carrington himself volunteered his good offices and second, we have been very impressed by the strange insistence of NAPC president Parmeli to go ahead with the drilling, ignoring the opposition of the Papandreou government to any disturbance of the Berne Protocol. If Parmeli did not know what was going to happen his initiative would have been rather uneconomic.

If NAPC had invested, as it says, more than 600 million dollars in Thasos and if--as it had informed the government--was planning to invest just as many millions in the Thasos area, then it behaved unwisely to say the least--unless, as we said, it knew something more than what is publicly known.

What would justify this is only a distribution between Greece and Turkey. But Papandreou has no right to do such a thing. The appropriate agency to determine the delineation of the Aegean continental shelf is the International Court at The Hague, and not Papandreou who is totally inappropriate for any negotiation--if we can judge by his "successes" so far.

## Poll Shows Slight Political Gains

Athens MESIMVRINI in Greek 7 Apr 87 p 11

[Text] The premier increased his popularity by only 4 percent (reaching 38 percent) by "speaking the language of determination, the only language the aggressor understands," to quote the commandant of the First Army at a banquet in Larisa. Only 4 percent, according to a poll which used "the language of determination, the only language the people understand."

The poll results deeply disappointed Papandreou who had different expectations and his cohorts who expected other figures--the same cohorts who predicted the victory of Beis in the Athens municipal elections last October. They expected at least a 10 percent increase "to reach 44 percent and then gradually gain another 5 percent and win the next election."

Unfortunately, for the second time they were wrong. What can they say now? That the "institution of Greek-Turkish crisis" has won? With regard to ND, the needle of vacant polls hovers around 46 and 47 percent. It is not known whether following the results of the student elections the level will stabilize at 47 percent or will "play" between 47 and 48.

## 'Pawn' Use Scored

Athens I AVGI in Greek 1 Apr 87 p 3

[Text] It is high time that this talk about national low bidders should stop. Let us stop trying to find out which of the two governments, today's PASOK government or the previous one of ND backed down more before Turkish aggressiveness. We must grow up if we seriously hope to use the avenue of diplomacy after we avoided a military clash.

The need to behave with greater maturity is even more pressing since we seem to move toward the International Court of Justice at The Hague where the fight will be not just diplomatic but judicial, legal and at the same time political at the international level.

After the national unity displayed during the crucial 24-hour period, every sign now shows that we are going back to mutual recriminations as to who is more to blame. Government and Opposition (ND) compete in their efforts to prove that the other side was more conciliatory, thus proving one after the other that they are guilty of selling short national interests.

We are sick and tired of the style of these two gladiators. We have had a bellyfull in our domestic affairs. Let us not have the same thing in our foreign policy. The battle at The Hague will not be waged between the premier and the leader of the opposition. The Greek voters are not the ones who will determine the judgment of the International Court of Justice. So, it is useless to address to them all the irresponsible and foolish things that are being said these days.



This is the one and only reality: For many years our national affairs go from bad to worse. This is not due to the lack of steadfastness by spineless governments. It is due to two basic reasons:

One, internal: The absence of a long-range strategy charted by all national political forces.

And one, international: The unfavorable international balance formed to the detriment of our country and the special importance attached to Turkey.

We have no doubt that in this context the Greek side backed down in 1976 and again in 1987. It is immaterial if, for domestic reasons, these concessions were presented as successes and not as a choice of realism in the face of a war threat.

It is high time we stop using our national affairs as a pawn in our domestic political game. Each government must stop seeking to offset its failures in the economic, administrative, social and institutional sectors with non-existent successes on the international front.

Our country's experience shows that this way of acting is a clear shame resulting in disorientation over our national issues.

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CSO: 3521/111

## SIGNIFICANCE OF STATE-CHURCH CONFRONTATION

## Advantages, Disadvantages Revised

Athens EMBISTEVTIKO GRAMMA in Greek 18 Mar 87 pp 11, 12

[Text] The bill on church property is developing into a major political issue that may change the political scene in the long run. On the part of Premier A. Papandreou, his moves seem to have the following aims:

--To bring together the Left and PASOK into a common front around the proposed arrangement, thus toning down strong criticism from the Left--which tends to gradually form a "new line of separation"--and allow rapprochement with uncertain leftist voters.

--To strengthen the allegiance of PASOK voters who, according to existing polls, are particularly disillusioned with the governing party. This closing of the ranks was evident, at least temporarily, at the level of the pro-government press which gave strong support to [Papandreou's] initiative.

--To use church property for strengthening the cooperatives which are financially in bad shape and which in the past served as the main factor for PASOK's presence and electoral strategy in the countryside.

--To improve the government's image in the eyes of the public with the populist-type confrontation--such headlines, for example, as "The Bishops Scream to Keep the Loot"--with "on more enemy of change and democratization."

On the part of the opposition, this whole issue offers a rare political opportunity, because the total rift and open war between the government and the Church of Greece means:

--The loss for PASOK of a significant number of voters who are influenced by church organizations (as in the Thessaloniki area) and who will move to ND.

--A long-term attrition campaign against the government by the strongest mechanism today for influencing Greek public opinion. No one should forget that the Church is a very powerful mechanism for influencing public opinion, with ample manpower, a determined rank and file, and a tradition of many

centuries of political fighting. Its influence, especially in the countryside, is much greater than the government thinks. Its organization reaches the remotest villages and it has an abundance not only of printed matter, but also of personnel experienced in person-to-person contacts with ordinary people.

Taking into account the cost of a protracted confrontation, the government has two more alternative solutions:

--To break up the cohesion of the Church and to force it to back down, something very difficult since the proposed arrangements hurt, in effect, all segments of the clergy (bishops, priests, lower clergy) and because PASOK has limited influence among the clergy.

--To back down, but this will have a particularly heavy political cost.

In any event, the short-term political benefits the premier will derive will not match his losses. No matter which of the three outcomes takes place, PASOK will face the Church's hostility in the next parliamentary election--and this will add crucial percentages to ND. And this while the possibility exists that the issue may get out of control and result in early elections against Papandreou's wishes.

#### Settlement of Issue Foreseen

Athens EMBISTEVTIKO GRAMMA in Greek 18 Mar 87 p 9

[Text] We should expect that the issue between the government and the Church may be resolved at the expense of Minister of Education and Religion

A. Tritsis. Premier Papandreou believes in the end the rift with the Church will not have serious political cost for the government for two key reasons:

a. the people are no longer closely attached to the Church and therefore are less influenced by the charges voiced from the pulpit, by Church spokesman; and

b. the government has been able to convince the people that the issue refers only to Church property which is not given to landless peasants and not to the governing of the Church. Thus, the rift results in favor of the government.

Political circles expect intervention by the premier to resolve the impasse, in a way that will strengthen his prestige, by making a gesture of good will toward the Church and then restore the Church's relations with the government, which should not rule out the use of Tritsis as another scapegoat.

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CSO: 3521/108

## PASOK'S COOPERATION OFFERS TURNED DOWN

Athens EMBISTEVTIKO GRAMMA in Greek 18 Mar 87 p 5

[Text] The failure to implement until now the sweeping changes already decided by A. Papandreou in public agencies and banks, is due to the unwillingness of personalities from the wider political scene to cooperate with PASOK. Indeed, according to reliable reports, those changes should not be merely limited--as the premier wishes--to replacement of some technocrats by other technocrats in the public agencies and enterprises. They should be combined with a broad support for the government by currently unaligned individuals, thus giving the impression of a real opening by the government in a period when such political diversions are considered particularly necessary by PASOK.

With the exception of one or two persons whose participation does not assure the "broad opening" desired by Papandreou, the premier's emissaries, who have made soundings, have found a categorical refusal. Those approached claim as a reason for their refusal that they are called to shoulder the responsibility for the repair of damage done by the government and no one else. As a consequence, if they accept they will merely pay the political cost.

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CSO: 3521/108

## PAPANDREOU'S THINKING ON PASOK LEADERSHIP

Athens EMBISTEVTIKO GRAMMA in Greek 18 Mar 87 p 3

[Text] PASOK leading members, who in the past held important posts in the party machinery and government and who were later removed for no obvious reason, having since adopted a critical attitude toward A. Papandreou, now claim that "the forced return" of G. Gennimatas, A. Tsokhatzopoulos, V. Papandreou, A. Tzoumakas, and Th. Tsouras--the so-called historical leadership of the Movement--back to the party machinery, is part of a plan the premier has prepared for their elimination.

Their continuation as cabinet members, especially that of G. Gennimatas, has proved that they could form the future leadership group, following the departure of A. Papandreou, and therefore pose serious competition to the promotion of the young, inexperienced and soft-willed, as they say, George Papandreou to the leadership of the party.

Now, however, G. Gennimatas, as well as others, as members of the Executive Bureau of the party, will have to face the rank and file and apologize to party followers, cadres, and PASOK trade unionists for the mistakes they committed themselves when they were in the government.

This dialogue with the rank and file, which places them in the dock of the accused, will deprive them of their last assets for future leadership aspirations. This applies less to A. Tsokhatzopoulos who is considered inadequate and below the demands of the situation and much more to G. Gennimatas. With this plan, the responsibility for the demise of the "Third of September" dreams is transferred to Papandreou's "aspiring heirs" and not to himself.

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CSO: 3521/108

## DEFENSE MINISTER URGES UN CONTROL OVER NORWEGIAN SEA

Oslo AFTENPOSTEN in Norwegian 2 Apr 87 p 13

[Article by Liv Hegna: "Holst Advocates UN Control Over Norwegian Sea"; first paragraph is introduction]

[Text] Defense Minister Johan Jorgen Holst wants to check on the super powers' navies when they happen to be in the Norwegian Sea. He wants to submit a proposal to the UN for rules of behavior at sea. According to Holst, this would prevent cannon boat diplomacy or the use of naval forces as a means of exerting political or military pressure on coastal states.

This occurred at the Atlantic Committee's symposium on naval strategy which opened on Wednesday. Holst's views were met with stiff opposition from military experts. Admiral Lee Baggett, the head of NATO's Atlantic Command, was critical.

Admiral Baggett, who is also the head of the 300-ship American Atlantic fleet, put it this way: "Quite simply, I don't want any reductions on free passage in international waters."

At the Atlantic Committee's symposium it was reported that the Soviet Union's exercise activity has been stepped up. A temporary ceiling was reached during the so-called SummerEx 85 when the aircraft carrier "Kiev" was used far south in the Norwegian Sea together with a large number of submarines, surface vessels, and airplanes in support roles. SummerEx 85 is presumed to be a precursor of those operations which can be expected when the country's armed forces begin to practice on the military plans of the 90's, with big aircraft carriers playing the principal role.

Now that war is a reality, NATO cannot wage it with its hands tied behind its back either. It is important to Norway that allied naval operations help counteract the influence of the Soviet northern fleet, which would otherwise have dominated the Norwegian Sea from bases on the Kola Peninsula. At the symposium Admiral Lee Baggett stated that the Norwegian contribution to submarine surveillance, represented by the marine patrol planes which operate from Andoya, among others, is essential for the defense of the alliance.

## Norwegian Sea Important

British Vice Admiral Sir Geoffrey Dalton, the second in command in the Atlantic Command, emphasized that if the Soviet Union gains control over the north Norwegian air fields, the defense of the Norwegian Sea will become difficult. On the other hand, he believed that if NATO loses the fight for the Norwegian Sea, Norway cannot be defended. In such a circumstance the alliance must wage a defensive fight to defend supply lines across the Atlantic. "That would require an especially large number of boats, in any event many more than are available to the Atlantic Command today," he said.

During a war 800 shiploads of military materiel in transatlantic traffic will be needed. Furthermore, 1,800 shiploads will be needed for civilian purposes. Admiral Baggett derives no pleasure from the situation in escort ships: "NATO has 50 percent of its escort ship requirement," he said.

## Norway's Role

Rear Admiral Torolf Rein, the commander of naval forces in North Norway, said that Norway has a desperate need for mine sweepers. Rein also pointed out that the general commanding officer has recommended 8-10 escort ships. "We currently have seven and probably have to manage with them in the future as well," he said.

NATO fleet forces north of the 65th parallel concentrate on the bigger exercises, three a year on an average. "NATO's presence corresponds to 100 ship-weeks," Rein said, adding that this is one-fifth of Soviet activity in the Barents Sea and the Norwegian Sea.

Admiral Rein stated further that the situation in the Norwegian Sea is clear to all Norwegians. "I believe the majority in this country thinks that the Soviet monopoly in the Norwegian Sea is unacceptable. Only NATO firmness and a reliable, prominent naval strategy can prevent the Soviet Union from having free access to all of our adjacent ocean areas," he said.

Admiral Baggett and Admiral Dalton agreed that there is nothing significantly new in the new American naval strategy. "The USA has thought offensively since the last world war," Baggett said. Dalton stated that the strategy of the US is totally in accordance with NATO's. NATO's strategy has offensive depth as well. In NATO's concept of naval operations, emphasis is placed on containment, defense in depth, and maintaining the upper hand or the initiative. NATO's naval forces will deter and react to naval challenges in accordance with the strategy laid down in NATO's doctrines on advance defense and appropriate response.

## No "Lehman Strategy"

Vice Admiral Sir Geoffrey Dalton told AFTENPOSTEN that the new American strategy has developed of late independently of the American Secretary of the Navy John F. Lehman. Lehman has been viewed by many as the father of naval strategy. In some circles it has been thought that the secretary coined it

to justify his ambitious program for a 600-ship American fleet. This goal is expected to be achieved in 1990. Dalton believes the strategy was mental armament for the navy in the USA.

Defense Minister Johan Jorgen Holst said of the prominent naval strategy that the presence of Western navies in northern waters should be within the alliance context so that Norway can help "create this presence in harmony with our needs and rules." Holst said that the existing Atlantic force Stanavforlant was designed as an allied force in the north. Holst said nothing about willingness to renew those Norwegian frigates which participate in this force. The defense commission once said that the frigates could last through 1990. A renewal program is underway, but no one has said by how much this will extend the life of the Norwegian frigates.

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CS0: 3639/35



PROFESSOR: FOREIGN MINISTRY POORLY HANDLING NORTHERN INTERESTS

Treholt Damage Also Cited

Oslo AFTENPOSTEN in Norwegian 31 Mar 87 p 4

[Article by Olav Trygge Størvik: "Professor Fleischer at the Military Society: Moles Still Centrally Placed"]

[Text] "For a number of years, important Norwegian interests in the northern area have been handled in a poor and weak way. This is true for Svalbard, sea and submarine rights issues, and boundary lines in the Barents Sea. We have to expect that there are still 'moles' sitting in the Norwegian decision-making system who are undermining important national interests relating to the Soviet Union and other parties."

Yesterday evening Professor Carl August Fleischer asserted that it was a fact that we are still contending with the aftereffects of Arne Treholt's activities. "We cannot ignore the possibility that certain special parties are now trying to harvest where Treholt sowed," he said.

Fleischer mentioned that he had recently observed an astonishing example of direct misinformation coming from centrally placed individuals, people who ought to have been better informed to the highest degree. The misinformation related to the main argument in favor of Norway's right to the continuous continental shelf between North Norway and Svalbard. According to the misinformation, this right should no longer exist, given the UN's 1982 law of the sea treaty.

Misinformation

"This was totally incorrect and constituted significant misinformation with regard to our most important foreign policy and economic issues," Fleischer noted. He believed he could state that, in secret and using misinformation, "someone" believed that in some way a significant segment of Norwegian arguments would not be used. He made clear that he had no position on whether intentional disinformation was involved. But the result is also the same if the causal factors arise randomly or carelessly.

## Influence

In his talk, Fleischer gave details about the chances an agent for influence has to enjoy himself in Norway, and suggested that the Norwegian system is particularly vulnerable because of overconfidence and naivete. He went on to say that in this context he took no position on what Arne Treholt really did or his possible motives.

"Such an 'agent' can of course not influence grown people to believe or think anything whatsoever," Fleischer said, "but what he can do is operate in a 'gray zone' in which several opinions emerge as factual and well founded. In this context he can contribute towards steering the result in the direction of the conclusion which best suits his taskmaster. And it is a mistake to believe that this influence needs to take the form of the agent clearly selling his taskmaster's conclusion. The result can also be achieved with total neglect, merely by not supporting the alternative most advantageous to the nation where such support would have been logical. Or he can also see to it that Norwegian positions get upheld, but in a more cautious, less aggressive and more 'lukewarm' form than might otherwise have been the case. This provides indirect support to the other side. In practice, influence will occur regardless as soon as an agent reaches a central position," Fleischer said.

## Game

As part of his game, the "mole" will attempt to promote persons who are in a weak legal position and hold an insufficiently strong position in favor of Norwegian society. Secondly, they try to reduce participation by and confidence in those people with greater opportunities, people who will stick with it more firmly where protecting Norway's rights is concerned, Fleischer stated.

He believed he himself had been a victim of such methods in connection with law of the sea and dividing line negotiations in the 70's, when Arne Treholt was at the greatest height of his power and influence.

"I am completely able to back up what I am about to assert," Fleischer said: "In connection with Svalbard, law of the sea, and the northern region, incorrect information and wrong opinions have been mentioned and circulated which were designed to influence conditions to the detriment of essential Norwegian interests. This misinformation was partially supported by ad hominem 'argumentation' of a sort which could be characterized as mobbing, being irrelevant, and designed exclusively to sow undeserved distrust of the person who was putting forward correct professional views."

Fleischer termed the "gray zone agreement" with the Soviet Union an "objectively unreasonable solution in the Soviet Union's favor." The story about the 1977 Moscow negotiations is well known and how the negotiating team's chairman tied up the government's position without allowing time to obtain a justifiable legal assessment.

## Austrian Lead

But before that time as well Fleischer was excluded from important negotiations. This happened in 1976, when a group of land-locked states led by Austria, but with a strong East European element, tried to gain control over fisheries jurisdiction in connection with the 200-mile extension. Austria almost managed to get for itself a preferred claim to fish in Norway's economic zone, according to Fleischer. Soviet interests were dancing in the background.

"When I saw what was going on, I spoke out to the Norwegian negotiating team. but it was like talking to deaf ears. I was treated superficially, cut out and viewed as a grumbler and a heckler."

"These actions were taken from the Norwegian representatives' side while Jens Evensen, the chairman of the delegation, was absent, but while Arne Treholt was the principal man in the delegation and while the delegation was holding internal discussions. I had to intervene very forcefully and halted a motion which was not in Norway's best interest. At last, after insisting on more discussion time for the meeting, when I got Evensen to understand, he immediately gave orders for the representative in question to dissociate himself from opinions previously expressed by the Norwegian delegation. This is how the attempt by Austria and others to gain preferred claims to a Norwegian economic zone for themselves was repulsed," Fleischer explained.

## Newspaper Supports Fleischer's Warnings

Oslo AFTENPOSTEN in Norwegian 1 Apr 87 p 2

[Editorial: "Fleischer's Warning"]

[Text] Fortunately Norwegian society contains a few individuals who say what must be said when others are silent. Professor Carl August Fleischer's speech to the Oslo Military Society on Monday is an ideal example. We can only hope that the government and parliament pay heed to Fleischer's warning.

Briefly, his conclusion was as follows: For a number of years, important Norwegian interests in northern areas have been handled in a terribly bad way. Svalbard, law of the sea issues, and boundary lines in the Barents Sea are affected. At the same time he pointed out that we are still contending with the aftereffects of Arne Treholt's activities.

When Fleischer guesses that there are still "moles" in the Norwegian decision-making system who are undermining important national interests, he is speaking plainly. The proper authorities ought to expect such a danger as a matter of course. Fleischer is indeed right in saying that the Norwegian system is particularly vulnerable to agents of influence.

Moles who misinform and disinform have good working conditions in Norway. As Fleischer indicates, the gray zone agreement with the Soviet Union is "an objectively unreasonable solution in the Soviet Union's favor." In addition,

when he can point to an astonishing example of misinformation about Norway's right to the continuous continental shelf between North Norway and Svalbard, there is every reason to ask what is going on.

An agent of influence will promote persons with weak professional credentials and who are not sufficiently strong in their defense of Norwegian interests. At the same time it is important to reduce the participation by and the confidence in persons who know their field and consistently put protection of Norway's rights at the top of their priorities list. The formula is well known.

We do not know if agents of this sort sit in high places. But the danger is apparent. It is all the more important that authorities see to it that the best possible professionals handle our interests in the northern areas. The need here is for both legal expertise and political insight. Vital national considerations dictate that we listen to Fleischer's warning.

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## REGAINING OF POWER BY NONSOCIALISTS SEEN INCREASINGLY REMOTE

## Conservative Paper Blames Center

Oslo AFTENPOSTEN in Norwegian 28 Feb 87 p 2

[Editorial: "So Near, So Far"]

[Text] One can give more or less convincing explanations on why a new non-socialist government is taking so long. That the Conservative Party is supposed to have undertaken "a turn to the right" that has led the party away from a cooperative basis is the least convincing. Nevertheless, it is put forth regularly by the Center Party, sometimes by the Christian People's Party as well. The latter is more incomprehensible, for in contrast to Johan J. Jakobsen, Kjell Magne Bondevik is ready to form a new government together with the Conservative Party. He needs no excuse not to do so. Jakobsen does.

If the nonsocialist parties have distanced themselves more from each other, it is not because the Conservative Party has become less willing to cooperate. During the budget negotiations last fall the party was ready to jump out of its conservative skin to agree with the tax proposal of the middle parties. Against its better knowledge, the Conservative Party was still ready to postpone every form of tax relief.

The fact that one has not established a new government (overthrown the one in power) is not because of differing positions on concrete issues. Such differences can be difficult, but they are old and not more extensive than in 1983, or for that matter, 1965. The reason that a nonsocialist government is not forthcoming now is simply that the Center Party does not want it. For the present, and for an unspecified time in the future, the party has chosen to regard the duties of government as a burden, a burden it is not willing to bear. The result of this is that one is retaining a socialist government in power and blocking the way for the nonsocialist parties that have the will to government responsibility.

Now the demand that "The Conservative Party must move in toward the center," is just about as meaningless as its opposite would have been: "The center must move out toward the Conservative Party." (On most matters, by the way, the so-called middle parties are wing parties.) The fact is of course that there are three parties, each with its own program, which both in this and in previous Storting sessions have been able to form a government program together. The

party programs are still valid, as is the government program, which is the Willoch government's long-range program. But one says that the decline in oil income has changed the basis of the long-range program, and this is correct. But the necessary adjustment to a changed reality should be much easier for nonsocialist parties who were not tempted to offer too much during the good years than it has been for the Labor Party.

So the whole thing becomes a question of a will and a way. If the lack of desire to enter a new nonsocialist government is not just tactically based, if it is also a statement that the Center Party is beginning to place itself somewhere else in the political landscape than before, the voters should be told.

#### Polls Indicate Nonsocialist Majority

Oslo AFTENPOSTEN in Norwegian 2 Mar 87 p 2

[Editorial: "Responsibility Gives Strength"]

[Text] All political polls contain warnings against reading too much into small changes as well as reminders that even large changes can be simply chance. All instructions become unnecessary when one reads two polls on the same day in which the parties progress in one and decline in the other. This happened in AFTENPOSTEN Saturday. (To be sure, the Conservative Party declined in both tables, but significantly and insignificantly respectively.)

None of this means that opinion polls are unreliable guesswork and that the results fly in all directions. If a party goes up or down a few tenths, it says that the party is on the same level as before. And if larger changes are measured, it is a signal to look closely at the next reading to see if the change is repeated. If it is, one is dealing with a real change.

In the past year, voter barometers have flapped in strong storms, particularly during and after the change in government in April/May. If we look at the whole year from February to February, it is the Labor Party that has lost: down three percentage points in Gallup and four percentage points in Norway's Market Data. During the past six months (August to February) it is the Conservative Party that has done the worst: down 3.7 and 4.1 percentage points respectively. The Labor Party has therefore lost by forming a government. But the loss was greatest in the beginning and has become less since. For the Conservative Party the reverse is true. The party gained ground after the change in governments, but lost most of it again throughout the fall and winter.

In this case, one does not have to be a student of elections to see the pattern. The country has not gotten a new nonsocialist government in spite of a non-socialist majority because the parties either cannot or will not cooperate. Therefore the Labor Party remains the only possibility. Here the rule applies that it is good to have one's own success but that the fiasco of others is not to be sneezed at, either.

Now reasonably it should not be the Conservative Party that has to pay because the Center Party does not want to govern. But politics is not always reasonable. The Conservative Party is the largest nonsocialist party, and it also has the voters most eager to cooperate and to govern. As always, those who have the greatest expectations also feel the greatest disappointment.

The figures from Gallup and Market's Data continue to show a nonsocialist majority among the voters. The advantage over the socialists is about five percent. The question is what value this advantage will have. With the Center Party on the sidelines or behind the Brundtland government's goals, it will not be the nonsocialist but the Labor Party and the Socialist Left Party that weighs the most (45 percent against 43-44 for the Conservative, the Christian People's and the Progressive parties). In the 1970's the nonsocialist side had to stop counting on the Liberal Party. Toward the end of the 1980's it may be the Center Party. When Kare Kristiansen advises the Christian People's party to loosen its ties to the Center Party, it is clearly a realist who is talking.

#### Poll: Voters Favor Nonsocialists

Oslo AFTENPOSTEN in Norwegian 14 Mar 87 p 8

[Article by Finn Langeland: "Nonsocialist Government Best Alternative"]

[Text] A nonsocialist government has greater chances of being a stable government alternative in today's political situation than a socialist one. This is what 44 percent of those asked thought in an opinion poll the Norwegian Gallup Institute, Inc., conducted for AFTENPOSTEN. Forty percent say that a socialist government is to be preferred.

The opinion poll was conducted in January of last year and took its starting point in the parliamentary situation. The Conservative, Christian People's, and Center parties do not have a majority alone. Neither does the Labor Party, alone or together with the Socialist Left Party.

Those questioned were asked to say which government alternative they considered to be the most stable under these circumstances: a purely Conservative Party government, a government of the Conservative, Christian People's, and Center parties, a nonsocialist government in which the Progressive Party also participates, a government of the Labor Party and the Socialist Left Party, or -- as the last alternative -- a government made up of the Labor Party, the Socialist Left, and one of the middle parties.

Twenty-eight percent said that they prefer a purely Labor Party government. Twenty-one percent think that a three-party government would be the most stable, and 12 percent stick with a purely Conservative Party government. A corresponding number of those asked -- 12 percent -- could imagine a Labor Party - Socialist Left constellation at the King's table. Eleven percent said that the Progressive Party should take part in a wide, nonsocialist government, while nine percent of those asked were in sympathy with a government of the Labor Party, the Socialist Left, and one of the center parties.

Geography and residence play a role in the evaluation. A purely Conservative Party government receives 17 percent support among those questioned in Oslo, Bergen, and Trondheim, while only six percent of those who live in smaller centers can imagine a government with only Conservative Party ministers.

While 35 percent of the Conservative Party voters want a government consisting solely of party members, 53 percent of the Labor Party voters in the poll think that a Labor Party government is the best for the country. The answers most probably reflect the different tradition of cooperation in the country's two largest parties.

The Center Party voters are significantly more in favor of including the Progressive Party in a new nonsocialist government than is the case for the Christian People's Party voters who were asked. The figures are 29 percent for the Progressive Party in the Center Party and 17 percent in Kjell Magne Bondevik's party.

In answer to the question on which government alternative is desired, 16 percent of those asked said a purely Conservative Party government. Twenty percent want to have a three-party government, and nine percent a nonsocialist government in which the Progressive Party is included. A purely Labor Party government is desired by 29 percent, a Labor Party - Socialist Left government by 13 percent, and a Labor Party - Socialist Left - middle party government by six percent.

In the opinion poll the question was also asked about what position the three former government parties should take toward the Progressive Party: include the party in a new government, recognize that the Progressive Party is a part of the nonsocialist majority, or not have anything to do with Carl I. Hagen and his party.

Among the Conservative Party voters 25 percent want the Progressive Party included in the government, 53 percent think one must realize that the party is part of the majority, while 20 percent want nothing to do with Hagen. In the Center Party the distribution is 22, 31, and 42 percent, while the Christian People's Party voters are the most unwilling: 53 percent turn thumbs down on the Progressive Party, 26 percent recognize that they are part of the nonsocialist majority, and 15 percent would be willing to include the Progressive Party in a new government.

#### Nonsocialists Disagree on Taxes

Oslo AFTENPOSTEN in Norwegian 17 Mar 87 p 2

[Editorial: "The Road to Solidarity"]

[Text] Tell me who you avoid, and I'll tell you who you are. The first question the middle parties must take a position on in tax policy is where they belong. The tax system is much more a political than a technical question. The Christian People's Party and the Center Party cannot therefore first go together with the



Labor Party on the platforms for the tax system and afterwards have anyone believe that they really want to govern with the Conservative Party. If the Center Party does not realize this, then at least the Christian People's Party should.

A nonsocialist cooperation presupposes that the tax system and the tax level be considered together. It should not be hard to understand the main basis for this. At any rate the purely practical element should be obvious. Big changes in the tax system must necessarily mean that quite a few will be hard hit, even if this was not the intention. An example: If one limits the deduction right for interest, this will hit young married couples with dependents harder than older married couples without dependents. Therefore in order to assure that no one is unintentionally made worse off, one must reduce the total tax load.

Within such a reduced tax load there are again certain positions that belong in a nonsocialist-liberal policy and some that do not. For example it is not nonsocialist policy to replace an excessive progressive tax of net income with a corresponding over-taxation of gross income. This would be to go from bad to worse.

Furthermore it is nonsocialist policy to structure the tax system in such a way that it favors and does not restrict the conditions for economic growth. This must in any case mean three things: It must be profitable to work. Money must not be taken from industrial companies that has not been earned. And taxation must allow the companies to retain most of what they have earned.

It is within such a wide framework that a nonsocialist agreement on the tax system must be structured. How great are the chances? It does not bode well when the Christian People's Party chairman, Kjell Magne Bondevik, sets as a prerequisite that the Conservative Party "not conduct a purely Conservative Party policy in the tax question for which there is support neither among the people nor in the Storting."

The thing is that such a demand stands the actual problem on its head. During the budget negotiations last fall it was not the Conservative Party that wanted to approach the Christian People's Party and the Center Party, but these parties wanted to approach the Conservative Party. And as far as support among the people is concerned, there can hardly be any doubt that the Conservative Party line in tax policy has overwhelming support among those who in the last Storting elections voted nonsocialist.

If we had been the chairman of the Christian People's Party, we would have put much more emphasis on the right of the minority to express its opinion. Even if it, for example, only makes up seven to eight percent.

## Cooperation Eludes Nonsocialist Leaders

Oslo AFTENPOSTEN in Norwegian 20 Mar 87 p 5

[Article by Morten Malmo: "Nonsocialist Snail's Pace"]

[Text] Even if the nonsocialist top leaders meet in informal discussions, possible government preparations are moving at a snail's pace. Such a top meeting was held last Tuesday without the chances for a power shift increasing. Work on a political base for a possible new government is going very slowly, according to what AFTENPOSTEN has learned.

The party leaders and the parliamentary leaders in the Conservative, Christian People's, and Center parties meet about every two weeks. In addition to the meeting that was held last Tuesday, several meetings have been agreed upon before Easter. At these meetings the nonsocialist leaders discuss the current issues in the Storting and the political base for a possible new government. The meetings do not have the character of negotiations.

### At a Standstill

The nonsocialist top leaders are holding their cards close to the belt and are not eager to answer questions about these meetings. According to what AFTENPOSTEN has learned, there is nevertheless no reason to believe that goal-directed government preparations are quietly taking place. The indications that leak out from these meetings into the various organs of the three parties are that the preparations are as good as at a standstill. Sources that have information on what is happening say that the meetings do not, so to speak, indicate that the three parties intend to take over the responsibility of government in two weeks.

### Waiting

On the outside, the Conservative and Christian People's parties stand out as the most eager, while the message from the Center Party's national congress last weekend is that there is no hurry with a new government. In the Center Party, and to some extent in the Christian People's Party, one is waiting for the Conservative Party to become "more compliant" in such a way that the middle parties will get more in the negotiations on the political base for a new government. In the Conservative Party on the other hand one is waiting for the Center Party to give the green light and say, "Now we will seriously start to chisel out the political base." As time goes by, nonsocialist disunity is found in many issues, most recently on the tax report and the selection of spokesmen for it. There are also internal conflicts in the Christian People's Party and the Center Party on the question of government. In the Conservative Party there is agreement on the need for a rapid change, but instead the party has gotten a debate on who is to be the "first soloist" in the large party orchestra. Nor is it easy for Rolf Presthus to be party chairman and prime minister candidate simultaneously for long. According to what AFTENPOSTEN has learned, there are now forces in the Conservative Party Storting group who are trying to place Presthus in a more prestigious Storting committee than the agricultural

committee, of which he is now a member.

### Fewer Expect Nonsocialist Government

Oslo AFTENPOSTEN in Norwegian 18 Mar 87 p 3

[Article by Alf Seeland: "Weakened Belief in Power Shift"]

[Text] People are generally about to lose faith in a nonsocialist power take-over. An opinion poll the Norwegian Gallup Institute undertook for NORPRESS stands out as a strong warning to the nonsocialist party leaders. As many as 55 percent of the voters think that Gro Harlem Brundtland's government will remain in power until the Storting elections in 1989.

Every fourth voter believes in a change of government during this Storting period, while a mere seven percent believe the government will be defeated in the course of the spring session. The opinion poll confirms that the belief in a new nonsocialist government has been dramatically weakened in comparison to what was expressed in a corresponding opinion poll last fall.

### Completely Changed

The opinion poll was undertaken at the end of February. While 55 percent think that the government will remain in power up to the Storting elections in 1989, 25 percent think there will be a change in government before that time. Last fall only 27 percent answered that they believed in such a long life for the Labor Party government, while 43 percent thought we would get a new government in the course of the Storting period. As many as 28 percent believed in a power shift during fall. The situation is now completely different.

According to the latest opinion poll 13 percent have no opinion on the question of government, an increase of two percent in comparison with August of last year. The weakened belief in a nonsocialist government alternative can only be interpreted as the result of the nonsocialist lack of ability to reach common solutions. The Center Party is as is well known the brake, but the interviews took place before the party's national congress.

### Questions

The opinion poll is based on the following simple question: "How long do you think Gro Harlem Brundtland's government will remain in power?" The possible answers were: 1) "Government shift in the course of spring 1987," 2) "Government shift later in the period," or 3) "That the government will remain in power until the elections in 1989."

In the answers there not many variations geographically or in any other way with the exception of a somewhat greater belief in the three largest cities in a government shift in the course of the period. Nevertheless there were only 30 percent who answered yes. In the Trade Union Federation, which was somewhat skeptical upon the government's entry last spring, as many as 61 percent answered yes to the question of whether the government would remain until the elections.

## POLL INDICATES HOLST ENJOYS LITTLE CONFIDENCE AMONG VOTERS

Oslo AFTENPOSTEN in Norwegian 20 Mar 87 p 5

[Article by Hans Chr. Erlandsen: "Most Boo-Boos by Holst"]

[Text] According to a poll, Prime Minister Gro Harlem Brundtland is the one in the government who does the best job, while Defense Minister Johan Jorgen Holst has made the most boo-boos. This comes from an opinion poll the Norwegian Gallup Institute did for AFTENPOSTEN.

The prime minister was the one the people thought made the most boo-boos when AFTENPOSTEN published a similar study last September. She was pointed out by 31 percent when the following question was asked: "Who in the government do you think has made the most boo-boos in recent months?" In December of last year 20 percent thought she made the most. Now there are only 15 percent of this opinion.

## Labor Party Criticism

In earlier studies Johan Jorgen Holst was one of the more anonymous ministers about whom people had anything particularly positive or negative to say. Now the defense minister is the one who makes the most boo-boos, according to 21 percent of those asked. It is worth noting that it is particularly within the Labor Party that Holst meets this attitude. Every fourth party supporter turns thumbs down for him. In none of the other parties represented in the Storting does one think that he makes so many boo-boos.

## Strong Cards

The prime minister is thought by 19 percent to be the person in government who has done the best job in recent months. Otherwise the government's strong cards seem to be Finance Minister Gunnar Berge and Social Minister Tove Strand Gerhardsen.

The question was: "Who in the government do you think has done the best job in recent months?" The figures are, with the December result in parentheses: Gro Harlem Brundtland 19 (21), Gunnar Berge 11 (9), Kirsti Kolle Grondahl 1 (1), Sissel Ronbeck 6 (10), Gunhild Oyanger 1 (1), Johan Jorgen Holst 1 (2), Bjarne Mork Eidem 1 (1), Arne Oien 5 (10), Hallvard Bakke 4 (3), Kjell Borgen 1 (1),

Tove Strand Gerhardsen 12 (8), Kurt Mosbakk 0 (0), Anne Lise Bakken 2 (1),  
Vesla Vetlesen 1 (1), Finn Kristensen 2 (2), and Helen Bosterud 7 (6).

These Make the Most Boo-Boos

The boo-boo list is as follows (December figures in parentheses): Gro Harlem  
Brundtland 15 (20), Gunnar Berge 9 (16), Kirsti Kolle Grondahl 3 (5), Sissel  
Ronbeck 3 (2), Gunhild Oyangen 5 (6), Johan Jorgen Holst 21 (5), Bjarne Mork  
Eidem 1 (2), Arne Oien 1 (1), Hallvard Bakke 1 (1), Kjell Borgen 1 (1), Tove  
Strand Gerhardsen 4 (4), Kurt Mosbakk 1 (1), Anne Lise Bakken 1 (1), Vesla  
Vetlesen 4 (1), Finn Kristensen 1 (1), and Helen Bosterud 2 (6).

9124

CSO: 3639/31

POLITICAL

NORWAY

ERIK SOLHEIM SEEN AS NEW SOCIALIST-LEFT PARTY CHAIRMAN

Oslo AFTENPOSTEN in Norwegian 7 Mar 87 p 10

[Article by Thorleif Andreassen]

[Text] The Socialist-Left election committee has recommended former party secretary Erik Solheim as the new party chairman after Theo Koritzinsky, who has said he will not stand for reelection. According to what AFTENPOSTEN has learned, the election committee's position was almost unanimous. Only one vote against, with no opposition. Storting Representative Kjellbjorg Lunde is recommended as the new vice-chairman.

According to what AFTENPOSTEN has found out, the election committee favors having only one vice-chairman in the Socialist-Left leadership as opposed to three today. The proposal also asks for fewer members in the executive committee, namely nine, as opposed to 15 today. The executive committee will meet once a week.

Storting Representative Tora Houg, who now is vice-chairman in the Socialist-Left, has been reelected to the executive committee.

The party's former leader, Berge Furre, will take over as the chairman of the party's international committee, following Christoffer Furst.

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CSO: 3639/31

## GRO HARLEM BRUNDTLAND: WELFARE STATE AT CROSSROADS

Oslo AFTENPOSTEN in Norwegian 19 Mar 87 p 5

[Article by Hans Chr. Erlandsen and Odd Inge Skjaevesland]

[Text] "The welfare state is standing at the crossroads," Prime Minister Gro Harlem Brundtland said as she presented the Labor Party election platform yesterday. As far as the tax report is concerned, she stressed that the only correct thing for the Storting to do is to handle it as quickly as possible. She expressed her amazement at the nonsocialist suggestions for a possible postponement.

As far as the government situation is concerned, she said she has long felt herself alone in believing that her government could remain in power all the way to the elections in 1989, and possibly even longer.

The Labor Party's national congress, which will begin 26 March, will be characterized by the coming community and county elections and by the party's hundredth anniversary.

#### Crossroads

Concerning the goals for the national congress, the prime minister said, "The local elections are the concrete challenge, but at the same time we shall look outward, handle international questions, and discuss how we can proceed with the welfare state. The welfare state is at the crossroads. In drafting a platform, we must try to ask what we must do and where the road will go from here." She said that the fact that the party is stressing the situation of youth is not a tactical move to win support among the younger groups of voters.

Concerning the government situation, the prime minister said that she had long felt herself to be completely alone in the basic recognition that everything her government did had to have as its goal a retention of power all the way to the elections in 1989.

"But we have known that at any time others could decide that things would be different," she said. The Center Party's national congress did not weaken her long-range perspective.

Concerning the rumors that the nonsocialist politicians had suggested a postponement of the handling of the tax report, Brundtland said, "The election platform stresses that young parents, children, the ill and the elderly will be taken care of by the Labor Party." Brundtland's own generation has less to gain by the execution of the election platform.

One of the main tasks for the Labor Party is to reorganize the welfare state in the coming years. The platform says that public budgets cannot as a whole count on large growth. At the same time it warns of new collective benefits. One must also critically examine today's welfare measures with the idea of redistribution.

The program committee headed by Brundtland pointed out that the government has the main responsibility for basic welfare needs. The committee also said that public jobs do not have to last forever. Consumer needs must determine whether the jobs will be done by the public or the private sector.

The platform says that cooperative measures can accomplish jobs such as the expansion of homes for the elderly, kindergartens and the management of cable companies for local TV.

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## EYSKENS ON CURRENCY REALIGNMENT, TAXES, BUDGET

Brussels LA LIBRE BELGIQUE in French 14 Jan 87 p 2

[Interview with Mark Eyskens, minister of economic affairs, by Pierre Loppe and Francis Van de Woestyne; "Mark Eyskens: A New Tax System in 1988"; first paragraph is LA LIBRE BELGIQUE introduction]

[Text] Pleased with the currency readjustment, Economic Affairs Minister Mark Eyskens announces major reforms.

[Question] Now that you've had time to think it over, what is your impression of the currency realignment approved last Sunday in Brussels during the session you chaired?

[Answer] We succeeded in persuading our European partners to emulate the consistency of Belgium's policy. Oostmarsum and the first re-evaluation of the Belgian franc marked the end of rudderless drifting. Brussels, this last week-end, accelerated the trend, with four-square arguments. Look at the surplus in the current balance of payments: from 140 to 150 billion in 1986, or 4.5 to 4.75 percent of GDP in 1987, according to the OECD, a performance matching in every respect the Dutch and German performances. Look, too, at our inflation rate, which has dropped almost to zero.

I had a few more arguments up my sleeve. Germany and The Netherlands account for around 55 percent of our imports within the EEC. A de-facto devaluation of 3 percent would have increased our import costs. And we should not overlook the fact that German products are not very vulnerable to price fluctuations: Belgians, no matter what the cost, would have gone on buying them, for one reason or another. That would have affected our rate of inflation and reduced our surplus.

One final argument I am pleased to raise as a side issue with our German and Dutch colleagues is this: our foreign debt amounts to 550 billion in marks and florins, which is more than half. Too wide a gap between the Belgian franc and the Community would have been a hindrance, given the obligation of short-term reimbursement. Figure it out yourself: 3 percent of 550 billion comes to 16 or 17 billion, plus finance charges.

[Question] That still leaves a 1-percent gap...

[Answer] Quite true. We are hoping that the operation will lead, after the German elections on 25 January, to an increase in interest rates across the Rhine. That would leave us free to opt for a replacement at a lower rate.

## No Pointless Risks

[Question] What about our special ties with the Grand Duchy of Luxembourg?

[Answer] Luxembourg is heavily dependent on Federal Germany. It was pushing hard to tie its currency to the mark. I was reluctant to run pointless risks by asking the same re-evaluation as was given the mark. That would have been heroics on my part. I had no desire to play Rambo.

The position of my colleagues in government, which instantly became mine when M Delors called me in Prague, was to adopt a middle-of-the-road position, specifically, 1.5 percent. My foreign colleagues suggested I pick a round number: 2 percent. That gave me the chance, be it said in passing, to forget about other countries and to observe, in the heads of some of them, the symptoms of the red-light syndrome.

[Question] One percent revaluation is also a round number. Why make it two? The banking fraternity makes no secret of the fact that this wager is very ambitious indeed...

[Answer] Two percent or 1.5 percent, as I have argued, amount to the same thing. The European monetary system allows for a margin of fluctuation of 2.25 percent on either side of the mid-mark. Corrective responses would be instantly forthcoming: in other words, the argument over  $\frac{1}{2}$  percent vs 1 percent thus becomes pretty theoretical. I think that the brokers and the markets have got the message that the Belgian franc is, little by little, becoming a solid currency and that those who might be tempted to speculate against the Belgian franc would be in imminent danger of biting the dust and breaking their front teeth.

## Political Cacophony

[Question] Does the Sunday meeting show us in no uncertain terms that monetary reforms are becoming more and more politicized? France, which started from a position of weakness, is coming out of it with its head held high, without officially devaluating its currency and after forcing its views on its partners...

[Answer] There is a little bit of that. Politicization is very real indeed in the European cacophony. Let's entertain no illusions, though. The French franc has indeed been devaluated. You have only to look at its weakness vis-a-vis the ECU. The French reasoning on this score is superficial. As for the Germans, I am awed by their courage.

Actually, in the wake of all the invective hurled at us for 8 days across the French borders, we attended a de facto Franco-German directors' meeting. In the course of my numerous telephone conversations I discovered that there was already virtual agreement between the Germans and the French. Those countries decided to resolve their problem over the heads of the small-fry, saying, "As for them, we'll get them in, too, no matter what." Egregious psychological error!

[Question] Is it good for an operation of this kind to be played out in broad daylight with the doors and windows wide open? The debate was announced several days ago in the public press...

[Answer] That is regrettable. People hammer out earth-shaking declarations, and then spend all their time saving face. The political spectacle is the curtain-raiser, and then comes the cosmetic part... The ideal way would be to present things as best we can, to be free to say the very opposite of what we said in the first place... We dare not, though, take citizens for innocents.

#### Surprise, In Spite of Everything

[Question] What do you think about the negative reactions of the opposition?

[Answer] They are mistaken and misleading. The steady rise of the Belgian franc—due, of course, in large part to the decline of the dollar—has been obvious for months.

[Question] Were you surprised by the rapidity of the shift?

[Answer] Totally. The spectacular interventions by the Bundesbank through a massive issue of German marks made intervention indispensable.

[Question] Was the operation meant to last? Isn't there a danger that it might happen all over again as some observers are already warning? The markets were looking pretty nervous on Monday, and even more jittery on Tuesday...

[Answer] The assumption that the present coalition will lose the upcoming election in West Germany is not very plausible. On the contrary, their team will probably come out winners, and stronger than ever. The one thing I fear is that the markets will take the 3-percent rate as the rock-bottom minimum. Like you, I must admit, I worry about their nervousness, their scepticism. The shift was, essentially, limited. We shall have to wait and see. Any judgment made today would be premature. I would point out that, while the French franc is very weak, the Belgian franc rose

on Tuesday against all currencies, including the mark. That means that this is still a very sound operation, although the European Monetary System is still highly vulnerable.

This makes me all the more confident about the ancillary measures, by which I mean increasing our monetary stability both within and outside of the Community. I hope and pray for a Plaza-II agreement, along the lines of that concerning the stability of the dollar, signed by the five great powers. We have given a mandate to the monetary committee and to the committee of governors to formulate proposals for strengthening our support mechanisms. We must place the stress on intramarginal interventions as a preventive. This assumes more whole-hearted support. Lacking that, we become a Community, or just a club whose members occasionally give one another a hand up.

### European Priorities

[Question] What are your other priorities for the next 6 months of the European presidency?

[Answer] Still in the pipeline we have, first of all, liberalization of capital shifts, which means abolition of financial protectionism with an eye to creating a capacious internal space. This measure, which assumes reinforcement of the EMS, will also require harmonizing tax withholding and repeal of Article 108 of the Commerce Code, which makes it possible to oppose entry into the Stock Exchange of certain funds, effects, or obligations in foreign currency denominations. As we Belgians see it, creation of that space also assumes that our financial transactions will become truly competitive.

All in all, the internal market also means compatibility in our tax laws, starting with the VAT [value added tax]. Here, the VAT, with its seven rates, has turned into a veritable millipede. We have to cut those seven rates back to three, for instance. That would be easier to do under a Community umbrella.

Another problem: The dismal shape of the Community's budget, due primarily to agricultural expenditures. Everything that might usher in a new day has become all but impossible. The vicious circle is intolerable.

I insist, too, on improved relations between the Community and the Third World. I witnessed myself, at the International Monetary fund, the tragic situation in the debtor countries. Europe must play its role. Its image is not so tarnished as that of the great powers. Why not give these countries European drawing rights with an eye to structural cooperation?

Six or seven years ago, when I was minister for development co-operation, I proposed to the UNCTAD commission in Manila an agreement on joint economic growth. Growth has dwindled since then, but the idea is still dear to my heart. I look forward to discussing it with my colleagues.

#### A Strong Franc

[Question] Again, about the currency realignment that concerns us: what do you plan to do now to make sure the Belgian franc really demonstrates the strength it so suddenly acquired last Sunday, in a somewhat artificial way?

[Answer] We are going to have to boost our budget high enough to match our monetary ambitions, while exercising prudence with our interest rates. We must also take great care to limit capital exports. I have repeatedly proposed a revision in Social Security withholding. To dismantle the ~~system~~ would mean a major tax loss, not to mention the psychological impact of such a measure's being confined to jobs in construction. We must keep our heads while we thrash the matter out, and show that we deserve a good, sound currency. It was with that thought in mind that I made the remark that a country gets the currency it deserves.

[Question] Surely you will have to devote some thought to capital imports, as well...

[Answer] You are absolutely right. We tend to look all too lightly at capital exports, whereas imports are generally inadequate. This raises the whole issue of investments and public confidence in our policy. Strengthening the Belgian franc is a very welcome issue at this juncture, even though, owing to my position as both former prime minister and current cabinet member, I was in a position as schizophrenic as Dr Jekyll-cum-Mr Hyde...

[Question] Have you any practical ideas for encouraging such capital imports? I am thinking, for example, of abolishing the tax on stock market transactions, reducing withholding taxes on foreign holders of government securities, or partially restoring the tax credit?

[Answer] As for lowering withholding taxes for foreign holders of government securities, we are currently working on a system. I expect that we shall find our way clear very shortly. As for the levy on stock transactions, I proposed that very thing at Val Duchesse, but I was forced to go along with the negative position of most of my colleagues. Abolishing it, initially, for non-residents would cost at most 300 to 400 million. I intend to introduce this idea again. Look at the "big bang" in London, at the astonishing impact of deregulation...

As for partial recovery of the tax credit, we have yet to assess the budgetary cost. Besides, on the eve of the tax reform based on the report of the Royal Commissioners, I hesitate to take half-way measures that may prove contradictory. We must look at the problem as a whole. The question of taxing stock market transactions has nothing to do with this, of course....

#### Tax Reform

[Question] Will this term of presidency leave you a little time to concern yourself with our problems, particularly tax reform?

[Answer] I am expecting the report from the tax reform commission within a day or two. I also find that everybody has become a tax expert—in the majority as well as in the opposition ranks! We are now preparing to load our plates: joint returns, separate filing for income of married couple, family quotient. The Social Christians would add a provision for "splitting" on a 50-50 basis, to be divided evenly between the earning and the non-earning spouse (this will cost 80 billion!)... It is extremely attractive, but it would cost a great deal. Mr Verhofstadt has come up with the idea of using only two rates: 40 and 25. That makes a few more billion. As for myself, I am all for it: the tax system in Belgium is an abomination. But then when I add up all these ideas, the answer comes out at 200 billion! That means finding 200 billion in additional savings.

[Question] Given that, is there any real hope for tax reform?

[Answer] I intend to submit a bill before the end of the year. In its implementation, though, we shall have to keep close tabs on the budget situation: I have no intention to stoop to demagoguery. If indeed the economists at the study bureaus are right, the net payment to be financed will decline, partly through inertia and partly thanks to a favorable multiplying factor, to 4 percent once we get it down to 8 or 7 percent. If we actually achieve that goal, we shall have a budgetary surplus that can be used to do some very interesting things.

We shall have to look as well at the record of our tax expenditures: according to the standard, they are assessed at 300 to 400 billion. There are those in Parliament who say we ought to abolish all of them. That is ridiculous. We are not about to do away with the deduction for professional expenses, nor with the reduction for people who have dependents. But it is true that there are too many. We could, for example, put together four or five packages that would cover the major categories of household spending and scrap all the rest. If, that is, I can get back 40 or 50 billion that way, I should have a ready-made envelope that would be of great help in lowering rates overall.

## Indirect Taxes

[Question] Some observers also predict a shift away from direct taxes toward indirect taxes. Do you favor such a shift?

[Answer] That is neither my proposal nor my idea, but I see by a lot of newspaper articles that, in Belgium, over the past 25 years, there has been a reversal of the ratio between indirect and direct taxation. Twenty-five years ago, two thirds of our taxes were indirect, while the other third were direct. The situation today is the exact opposite.

We have the highest direct taxes in the European Community, with the sole exception of Denmark. But we also have the lowest indirect taxes in terms of GNP; we, along with Italy, are holding the line at 11.4 percent. All the rest are well above that: some are running as high as 18 percent. Some economists are wondering if we ought not to be thinking about a shift from direct toward indirect taxes, as Margaret Thatcher has done in England. I am well aware that we have to keep a number of considerations in mind; the operation will work only if the effect on prices is cushioned, not by means of a blanket consumer price policy, but by way of pegging prices for certain products.

Theoretically, the indirect tax is a blind tax: it hits hardest on households with many members than on people living alone. We must therefore look more carefully at the importance of a tax system based on dependents.

[Question] How soon do you think you will be ready to introduce this tax reform proposal?

[Answer] Before I do that I must read the [tax] reform commission's report. That done, I shall set up a seminar for my officials. Next, I shall get together with the members of my government. I may be able to get the plan introduced right after the holidays, and get a vote on it before the end of the 1987-88 session.

[Question] In any case, your bill will cover only 1988 revenues...

[Answer] Right. Because I must say that we are already in the process of implementing the Grootjans tax reform bill. If my plan is to be credible, we need to get it going before the end of this legislative session.

## No Discrimination

[Question] About retirement savings: will the government enforce the expected discrimination vis-a-vis government officials as of the day the tax-free total rises from 20,000 to 40,000 francs?

[Answer] Career officials are already immune from the employment dividend. In the industrial sector, they are negotiating labor agreements to include [tax] advantages. The pension-savings formula is already in effect for all government officials, without discrimination. As for the future, we must wait and see. It will depend on how well the tax liability formula works. I hope we shall be able to come up with a non-discriminatory formula.

[Question] If evaluation is to work, you have said that we must stick to our policy of balancing the budget. Does that mean that you will have to go beyond the Val Duchesse level?

[Answer] We are waiting for the budget analysis. If there are more budget overruns, we shall have to offset them. But one thing is sure: budgetary restraint will continue to be necessary for a good many legislative terms.

The virtual non-recruitment or extremely nugatory recruitment into public service will continue to be necessary for a good many years. We must make further cuts in subsidies to industry. This, be it noted, is not tantamount to a second Val Duchesse. However, I would not rule out the likelihood of our being confronted again with a very painful revision in some of our spending practices.

#### Education

[Question] What about social services, welfare?

[Answer] Take education... What has been done in this sector has inflicted a lot of pain and suffering. There have been many thousands of employees laid off. But in education, we have moved, in 20 years, from 160,000 to 260,000 full-time teachers. Compare that increase with today's cutbacks of 6,000 teaching jobs today. Furthermore, this situation prevails throughout government service (including the armed forces and education), where we have risen from 600,000 to 815,000 employees, or even to 900,000 if you count temporary employees. That makes 300,000 more workers, whose average cost per capita is 1 million, which works out to a total of 300 billion.

We are still the country in the Community in which the costs of government are the highest. Despite the Val Duchesse measures, which, I repeat, are painful, we must face the fact that the teacher/pupil ratio is still the most favorable in the Community. I take no pleasure in bring the bearer of more bad tidings, but I do say that, even when it comes to education, we must undertake a slow but rigorous restructuring.

[Question] What is your reaction to the unrest on college campuses



over "delayed admissions" to the universities? You are, yourself, a professor at KUL....

[Answer] In this twilight of the 20th century, a pall of malaise has fallen over young people everywhere: they are not happy with their lives: they find it hard to understand themselves and to be themselves. Beyond that, there is also a heavy blanket of disinformation that is cunningly spread among them.

[Question] University rectors are every bit as critical of the austerity measures. Are they, too, victims of disinformation?

[Answer] No. I agree with the rectors when they say that top priority must go to research. It is essential to our future. But you can see what the problem is with the seekers after learning [the Minerval]: we have increased our funding by 3,000 francs. Furthermore, we have to look beyond our own borders: in The Netherlands, the increase was 30,000 francs. What is more, in The Netherlands, they have imposed an absolute and, in my opinion, utterly wrong-headed ceiling on matriculation, and they determine by lot who will be admitted to the university. In Germany and in the United States, there are entry examinations.

In Belgium, anybody can attend: that, in itself, is a considerable privilege. In addition, this increase in tuition in actuality, affects only non-scholarship students. At KUL, for instance, 50 to 55 percent of students are there on scholarships: they have been assessed only a 500-franc increase per year—the value of 8 packs of cigarettes. Go look around in the socialist countries: you cannot even choose your courses there. You must have the courage to look at a problem in proper perspective.

[Question] What are your views on price indexing and on interest rates for the current year?

[Answer] As for interest rates, I argue for prudence. We have already found, for the most recent loans, some evidence of a rise. But if the monetary squall can be lulled, there will be a slackening in short-term rates. As for government loans, it will not be easy to grant loans at rates below 8 percent. We shall have to scrutinize the shift in German interest-rates after the elections.

For 1987, we estimate that the price index will be close to 1.5. This year will be somewhat less favorable than 1986. Petroleum prices are hovering at the brink. There may perhaps be a slight rise. That means that we must keep a watchful eye on price levels: I have said and say again that only properly organized competition can bring prices back down. I do not believe that regulation will work: regulation is the umbrella beneath which cartels thrive.

## Small-Town Squabble

[Question] Indications are that the Fouron truce is running out. Does that constitute a threat to the government?

[Answer] It is disgraceful that the government should have to concern itself with a village squabble, despite all my respect and sympathy for the villages. I find that, when people stop talking about it, the problem tends to face away. There is evidence that this is the case.

To convey the Fourons to another region would require a "super-majority." That cannot come about without the approval of the Flemish. Accordingly, I find that we must rule out that contingency. In other words, we must find a solution within that constraint.

On the other hand, it was by organizing protest marches and hurling invective at Mr Happart that Jose Happart was made into a special case. He could have stayed on as ordinary mayor of a very friendly commune. This is a typically Belgian problem that makes us the object of ridicule abroad.

[Question] Does all this still constitute a major threat to the government?

[Answer] I do not think so. But then anything is possible in Belgian politics. It would be a true tragicomedy. We might say in this connection that the situation is desperate, but not serious. I know that Interior Minister Joseph Miches is a very clever man.

[Question] In other words, there will be nothing but a straight line from here to the end of this legislature?...

[Answer] Come on, now: that is a long way off!

[Question] What more can happen?

[Answer] Anything...

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## COUNTRY'S CREDIT RATING LOWERED AS FOREIGN, FAMILY DEBTS RISE

## Highest Per Capita Indebtedness

Copenhagen BERLINGSKE TIDENDE in Danish 15 Mar 87 p 17

[Article by Frank Dahlgaard under the rubric "Debate: Today's Economy": "Denmark Is Both Rich and In Debt"; passages in slantlines are in italics]

[Text] The foreign debt now equals the worth of half of Jutland. We are rich, but the debt constitutes a serious threat to our high standard of living.

The bewilderment concerning the nation's economy is by now great. One day Denmark is hailed as the world's best country to live in. The next day we are denounced as the most indebted nation. What are we to really believe? Are we rich, or are we in debt?

It can sound self-contradictory, but we /are/ actually both. In any case if by "wealth" we mean a high average standard of living.

Those Danes who have traveled abroad--and that is most of them--cannot doubt that the standard of living here at home is one of the highest in the world.

International statistics show the same picture: The average income in Denmark is in the top class. We are also doing very well, to put it mildly, if one looks at the number of inhabitants per physician, the number of pupils per teacher, or the number of toddlers per preschool teacher. Denmark's housing standard is very high in comparison with other countries, and most Danish homes have by now been transformed into little machine pools with washing machines, dishwashers, coffee machines, refrigerators and freezers, electric ranges, radios, color TV's, VCR's, stereos, telephones, personal computers, etc.

Yes, there is certainly a high standard of living in Denmark. And the state of well-being is in addition distributed rather uniformly among the population, in comparison with most countries.

## Well-Being on Credit

However, the family of Denmark is also rather in debt. Denmark's total foreign debt at the beginning of the year amounted to 262 billion kroner net. This is equivalent to 51,400 kroner per Dane, children and the elderly included, and it is about the highest foreign debt per inhabitant for any country. Only Ireland, Iceland, New Zealand and Portugal are on Denmark's foreign debt level in per-inhabitant terms.

Fifty-one thousand four hundred kroner of foreign debt per Dane. But who exactly owes this money? The ordinary Dane has perhaps certainly incurred debts, but not abroad, has he?

No, but the State, municipalities, telephone and electric power companies and other public institutions have borrowed lots of money from foreign countries on behalf of the citizens. The public sector, in fact, has incurred two thirds of Denmark's total foreign debt. The last third has been incurred by Danish private firms.

Why on earth have the State, municipality and business firms taken out these many foreign loans?

Because the "Denmark Firm" has been operating at a constant foreign deficit (balance of payments deficit) for the last 24 years. Year after year we used more than we earned ourselves. We have lived beyond our means and financed the overconsumption with loans from the outside world.

When the deficit policy was initiated at the beginning of the 60's, Denmark was not a rich welfare society as we are today. On the other hand, we were free of debt. In other words, we have become rich and in debt at the same time.

## National Assets

If Denmark's economy is compared for a moment with an ordinary family's economy, it looks like this:

Denmark's debt to the outside world constitutes close to half of the national product (i.e., annual income), equivalent to five or six months of work income. Many younger small-home owners, however, have debts which are considerably larger, and all the same these families can often correctly be characterized as "wealthy." This is due in part to a high current income, and in part to the circumstance that the family does possess a considerable asset, i.e., the house. And the value of the house typically surpasses the installment debt by a great deal. If the family cannot meet its debt obligations, there is plenty of security in the house.

However, the situation is different for the Danish nation:

Denmark's national assets are certainly enormous. The value of all the land and all houses and buildings in Denmark amounts to 1.46 trillion kroner according to the latest property valuation. If one adds to this the market value of all the country's automobiles, motorcycles and other durable consumer goods, as well as the value of machines, ships, trains, airplanes, trucks,

equipment, stock and livestock, then the value of Denmark's total assets amounts to at least two trillion kroner.

Denmark's foreign debt of 262 billion kroner constitutes only 10 to 15 percent of its national assets. Is this so bad?

#### No Mortgages

The answer is /yes/.

While the small-home-owning family has borrowed money with security in its house, the Danish State and municipalities have not in the legal sense mortgaged the country in an equivalent manner.

If Denmark stops the payments on its foreign debt our foreign creditors cannot come with loan documents in their hands and confiscate half of Jutland. (Our foreign debt of 262 billion kroner in fact is equivalent to the total value of property in South Jutland County, Ribe County, Vejle County and Ringkøbing County).

Our foreign creditors have simply granted us loans with the /confidence/ that we can and will pay back the money with interest. And the money which is to be repaid is not Danish kroner. It is American dollars, West German marks, Swiss francs, etc.

For this reason, perhaps a more correct picture of the situation is gotten if, instead of comparing the foreign debt with our national assets or national product, it is compared with the exchange-producing part of Denmark:

Denmark's total exchange earnings from exports of goods and services last year equaled 250 billion kroner. The foreign debt of 262 billion kroner accordingly exceeds the value of a whole year's export production. Because 40 ore [one hundredth of a krone] worth of raw materials and energy must be imported on average each time a krone worth is exported, it is a question of a very large repayment burden.

#### Is Confidence Being Shaken?

The entire exchange earnings from Danish agriculture now go toward paying interest on the foreign debt. If environmental protection requirements weaken agriculture's exchange earnings in coming years, and if general economic developments here at home, with reduced competitiveness and a shorter work week, result in fewer exports, yes, then the /confidence/ of foreign countries in our ability to pay can be shaken. Then we can lose our creditworthiness.

For we cannot pay our foreign debt by "just" letting every Dane pay 51,400 kroner to the State. The problem is much greater. As stated, it is just /foreign currency/ which can repay the debt, and therefore a Danish export boom is needed.

As long as we have a balance of payments deficit, the foreign debt will grow. If we get the deficit reduced, it will only mean that the debt will grow at a

slower rate. But the debt will grow just as long as there is any deficit at all. Therefore, the problem is not just to get the foreign debt reduced, but to get it reduced /for a great number of years/, until the foreign debt has been whittled down to zero.

If we cannot force this situation through greater exports, it will have to happen through fewer imports. This would involve enormous cuts in Danish consumption--private and public. The high standard of living is accordingly threatened by the foreign debt.

If we carefreely continue the deficit and debt policy, the foreign lenders will finally say "stop." Should this be the case, we will risk landing all the way down in the economic "abyss," where there is not sufficient exchange for importing oil and raw materials--as Poland and Turkey, among others, have experienced. Merchandise shortages, gasoline rationing and a vertical dive in the standard of living can be the result.

Wealth based on loans is thus not secure wealth.

#### Credit Rating Dropped Again

Copenhagen AKTUEL in Danish 17 Mar 87 p 2

[Article by Flemming Hojbo: "Denmark's Economy Downrated; Denmark's Creditworthiness Reduced Once Again"]

[Text] Copenhagen. Denmark's reputation of being creditworthy and economically stable has deteriorated for the second time in four years. This occurred when the highly reputed American credit rating firm, Standard & Poor's, moved Denmark down the rating scale from AA+ to AA. In 1983 Denmark dropped suddenly from the scale's highest rating of AAA.

"It is the assessment of foreign countries that we do not have a good grip on the economy, and this is unfortunately the second time we are being downrated now," says Senior Lecturer Jesper Jespersen of the Copenhagen School of Economics and Business Administration in a comment on the demotion.

"So now it is serious, in the sense that something must be done about the economic structure problems, for shallow measures like the various packages and remedies of the last 10 years are not working," Jesper Jespersen says.

#### Can Still Borrow

In his opinion, however, Denmark will still be able to get the loans that it might be necessary to get from foreign countries. The international lending market has abundant capital to be invested and earned interest on.

West Germany and Japan are especially providing this supply.

But with the downrating international lenders can see their chance to demand higher interest on loans to Denmark.

"I dare not guess what it can come to cost in kroner and ore. That would be riskily business," says Handelsbanken [Bank of Commerce] Director Bo Jagd, who at present is filling the job of spokesman for the State Loan Consortium, which is to procure loans for the Finance Ministry.

"But it cannot be ruled out that international investors will exploit this in order to lead in the wrong direction," Bo Jagd says.

#### **We Have Loans in Reserve**

However, Denmark is not faced with having to procure large State loans here and now. Bo Jagd reports that loans which can cover half of the State's loan requirements for 1987 were procured in December and the first few weeks of this year.

It is the balance of payments deficit and with it the prospect of even greater foreign debt which Standard & Poor's is pointing the finger of scorn at. And even though the rating firm believes in a drop in the deficit here in 1987, its finance experts fear that the new compromise's wage increases will produce new pressure on the balance of payments.

#### **Finance Minister Must Eat His Words**

It was Finance Minister Palle Simonsen's (Conservative Party) lot to announce the reduced creditworthiness. However, as late as last Thursday he denied to the daily BORSEN that there was any doubt about the country's creditworthiness.

"This change is to be regretted, but there is no reason to dramatize," Palle Simonsen says now.

"It is a question of only a slight change. Standard & Poor's characterizes the AA category as only slightly different from the best rating, which is designated AAA," Palle Simonsen says.

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## 1987 EEC INFRASTRUCTURE LOANS

Athens MESIMVRINI in Greek 18 Mar 87 p 14

[Text] The EEC Regional Fund has earmarked 10.7 billion drachmas for financing 1987 public investment projects in Greece, according to the Deputy Minister of National Economy And. Georgiadis. With this sum our receipts from the Regional Fund since 1981 total 190.6 billion drachmas.

In April Greece will submit new proposals for 1987 projects to lock 25 billion drachmas from the EEC Regional Fund in order to assure the approval of Greece's 1987 share amounting to 48 billion drachmas.

The projects being financed with the 10.7 billion drachma contribution are:

Projects	Sum (in millions of drachmas)
Thessaloniki Sewage System	913
Thessaloniki Beltway	346
Dendropotamos Sewage System (Salonika District)	350
Thessaloniki-Alexandroupolis highway modernization	385
Thessaloniki-Kavala highway improvements	504
Thermopilae-Itea-Andirion highway improvements	475
Larisa-Kozani highway improvements	455
East Macedonia Telecommunications Agency (OTE)* improvements	1,348
Kavala harbor improvements	37
Kavala road improvements	110
Drama road improvements	54
Serrai road improvements	53
Kavala Sewage System	809
Crete Telecommunications (OTE) improvements	2,684
Alexandroupolis Industrial Zone Projects	314
Xanthi-Alexandroupolis road improvements	316
OTE network for the Eastern Aegean Islands	1,605

\* OTE - Greek Telecommunications Organization  
7520

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## PAPER COMMENTS ON POLL SHOWING HIGH SUPPORT FOR ARMED DEFENSE

Copenhagen AKTUELT in Danish 17 Mar 87 p 24

[Article: "Overwhelming Majority for Danish Defense"]

[Text] An overwhelming majority of the Danish people think that conditions in Denmark are worth defending against a military attack.

And an equally overwhelming majority advocates that Denmark must therefore have a military defense system. This comes from a just conducted poll, whose results, by the way, are totally in line with polls of earlier years.

This is certainly worth insisting on at a time when several numerically insignificant "peace organizations" have drawn attention to themselves with claims of being a whole movement which speaks on behalf of the majority of the people.

JYLLANDS-POSTEN wrote this in an editorial, which continues with, among other things:

"The usefulness of Denmark's military defense is widely acknowledged and is contested only by minority groups."

"A good four out of five Danes think that the present defense system is either appropriately strong or ought to be strengthened."

"Accordingly there is no popular desire for weakening of the defense system, whether it takes place as the result of direct cutbacks, the restructuring of the defense system into something which with a meaningless concept is called a 'nonaggressive defense', or as the result of an unchanged budget which does not allow for the actual cost of maintaining the existing strength level."

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## GROWING CONCERN OVER COMPUTER-SYSTEMS VULNERABILITY IN WAR

## Military Especially at Risk

Stockholm NY TEKNIK in Swedish 4 Dec 86 p 4

[Article by Hakan Borgstrom; first paragraph is NY TEKNIK introduction]

[Text] The "data virus" is a threat to our society. The military's computer systems are not safe, and many Swedish firms have been the victims of attack. Many unsolved computer crimes may also be due to the data virus. So say several Swedish experts on vulnerability with whom NY TEKNIK has talked. In last week's issue, we introduced the data virus phenomenon and discussed its origins and consequences.

The National Police Board claims that the data virus can be used by a foreign power to knock Sweden out in a wartime situation. The virus can be placed in the operating systems imported into Sweden.

## Many Firms Sabotaged

Many Swedish firms have been sabotaged with the data virus. That is the view of one of Sweden's experts on computer security. He points to a number of cases where the crime was discovered in time and could be stopped.

"Examples of the data virus indeed exist in Sweden. I myself have seen one case," says Rabbe Wrede of Ericsson Data Systems. He previously worked for the Data Inspection Board and was also a computer security consultant for a time. The case he mentions involved an ordinary Swedish firm with a conventional data processing system. The sabotage was discovered by chance.

"A curious systems programmer discovered a few odd program lines. He took the risk of exceeding his authority by going in and investigating an application program," says Rabbe Wrede. "The data virus that had been implanted was not especially well done, and that was one reason why the sabotage was uncovered."

"It was pure luck that nothing happened. The data virus had been added to a program that had not yet been used, so it had not had a chance to "infect" other programs," says Rabbe Wrede.

## Already Resigned

The one who had inserted the destructive program lines had left long before.

"I am convinced that the same thing has happened to many other firms. Unfortunately, firms consider it such a sensitive a matter that they do not tell others about their experiences. Even though that is precisely what is needed," says Rabbe Wrede.

He says that many people need to hear about the cases that have occurred. In that way, awareness of the effects of the data virus can be increased, and, naturally, the use of security measures will spread as a result.

## Must Be Taken Seriously

"The data virus must be taken seriously. We have tightened our control of program handling procedures. That includes both the purchase of programs and changes to programs," says Nils Jidestrom, chief of data processing security at the National Social Insurance Board.

"We have had our own technicians experiment with Trojan horses and logic bombs to see how we can best protect ourselves from this nuisance. But we have never been victims of the data virus," says Nils Jidestrom.

The National Social Insurance Board has worked to keep its production a closed system. No telephone connections exist.

"Naturally, it is utopian to believe that we can keep our production a closed system in the future," says Nils Jidestrom. "But as usual, the danger comes from our own personnel.

"We have several copies of our programs stored a long way from here. And we exercise close control over who is allowed to learn a program in our program library. All the programs we purchase are carefully tested before they are used," says Nils Jidestrom.

"Despite that, 100-percent protection does not exist."

## Young People, Spies Have Resources

Two groups have the resources for implanting the data virus: young people interested in computers and spies. That is the view of the Data Inspection Board. But many program designers also doctor their programs.

"It is important to distinguish between the groups able to use the data virus. Some of them are young people, known as hackers, and the others are spies," says Anders Beckman of the Data Inspection Board.

Considerable resources are required to produce advanced data viruses that cannot be detected. And the groups possessing those resources are young people interested in computers and spies.

## Plenty of Time

"Young people have considerable intellectual resources and lots of time. And those out to do some spying have lots of money," says Anders Beckman. "At the same time, there are not many systems programs that have remained untouched. Most have been subjected to some kind of manipulation.

"In most cases, the designer has included a few windows making it easier to work with the program. Those windows can then be used for illegal purposes, both by the designer and by others who find out where they are located," says Anders Beckman.

But a smart programmer can also discover a data virus.

"We do not like to talk about how a virus can be discovered. If we did, we would also be telling people how to insert it and get around the controls," says Anders Beckman.

"The data virus is a very serious phenomenon. A foreign power can use a data virus, for example, as a means of sabotaging Swedish society.

"The data virus is easy to introduce in peacetime and just as easy to activate during a wartime situation," says Ragnar Eriksson, an adviser to the National Police Board. But naturally, Ragnar Eriksson does not want to reveal the exact details.

## Latent Virus

"If, for example, the United States wants to knock Sweden out sometime in the future, it will have no trouble seeing to it that each and every program coming into Sweden contains a latent virus," says Ragnar Eriksson.

Another possibility, and one requiring fewer resources, would be to work through a domestic software firm.

"An infiltrator in a software firm can also see to it that the virus is built into the application programs sold in Sweden--an ordinary word processing program, for example," says Ragnar Eriksson.

A data virus is extraordinarily difficult to discover. The person who implants a virus is in no great danger of being discovered.

## Only 100 Lines

"Fewer than 100 program lines are needed to put a data virus in place," says Ragnar Eriksson.

The researcher in the United States who first opened the world's eyes to the data virus was Fred Cohen (see NY TEKNIK No 48). He wrote a research report on the data virus, and it was immediately classified secret by the FBI.

"It is a pity that the report on the data virus was confiscated. It did a good job of explaining how simple it is to insert a data virus without being caught," says Ragnar Eriksson.

Ragnar Eriksson says it was not worded in such a way as to permit its misuse.

"The report was probably classified secret out of consideration for the firms described in it: IBM, Digital Equipment, and others," says Ragnar Eriksson.

#### No One Wants To Advertise His Vulnerability

Many of the unsolved computer crimes in Sweden may be due to the data virus. But those crimes were not committed by young people, according to Jan Freese of the Federation of Swedish Industries.

"Many unexplainable events have occurred in connection with data processing in Sweden. Many firms and organizations have suffered losses and destruction without being able to explain the causes. This may very well be due to some kind of data virus," says Jan Freese, deputy managing director of the Federation of Swedish Industries.

Although it is seldom that anyone steps forward to tell about his experiences, the phenomenon is often discussed within the computer industry.

#### Few Specific Cases

"It is not often that specific cases involving data viruses come to light. And for the same reason that few cases of embezzlement come to light: no one wants to advertise his vulnerability," says Jan Freese.

What indicates that the intrusions are not the work of young people is the fact that in most cases, some sort of message is left behind.

"That is the difference between the person who views the intrusion as an intellectual challenge--the so-called hacker--and the person who destroys things--the so-called cracker. Those who destroy like to show off their handiwork," says Jan Freese. If a firm comes across someone destroying things, the matter is often settled internally.

"Since no one wants to admit that he has been hit, a firm will often arrange with the one who committed the crime to pay off the damages in installments," says Jan Freese.

#### Armored Vault Protection Proposed

Stockholm DAGENS NYHETER in Swedish 17 Feb 87 p 13

[Article by Olof Bergman]

[Text] In the United States, storing important data processing information at off-site locations is an increasingly common way of protecting oneself from

disaster. Thousands of firms rent space in bomb-proof, fire-resistant, and burglar-proof armored vaults for off-site storage of the originals or backup copies of all vital data which, if lost, could threaten a firm's existence.

In New York, Washington, Chicago, Los Angeles, and San Francisco--to mention only the largest cities--security companies make daily rounds to various firms and pick up sealed and confidential magnetic tapes, video tapes, and other so-called information carriers for off-site storage. Those storage sites hold everything needed to start over if a firm's computer system meets with a disaster due to negligence, a technical mishap, fire, or some other cause.

This disaster protection constitutes a new niche for the computer society's insurance industry. The firms are offered proper safeguarding of all routines related to the copying, maintenance, and storage of information from their computer systems. That information provides backup files for the working files available within the firm itself.

### Preventor

In Sweden, the Trygg-Hansa insurance firm and the Securitas security company have formed a company called Preventor to meet the business community's possible need for this new security service. Its purpose, as it puts it, is to safeguard the uninsurable value of documented information.

"The protective instinct seems to be terribly weak among the firms," says one of Preventor's promoters, Irving Chatoff, who gained experience in the field in the United States. Together with his colleague, Hans Petzelius, he has been working up the market in Stockholm, but there has been no rush to take advantage of the firm's services.

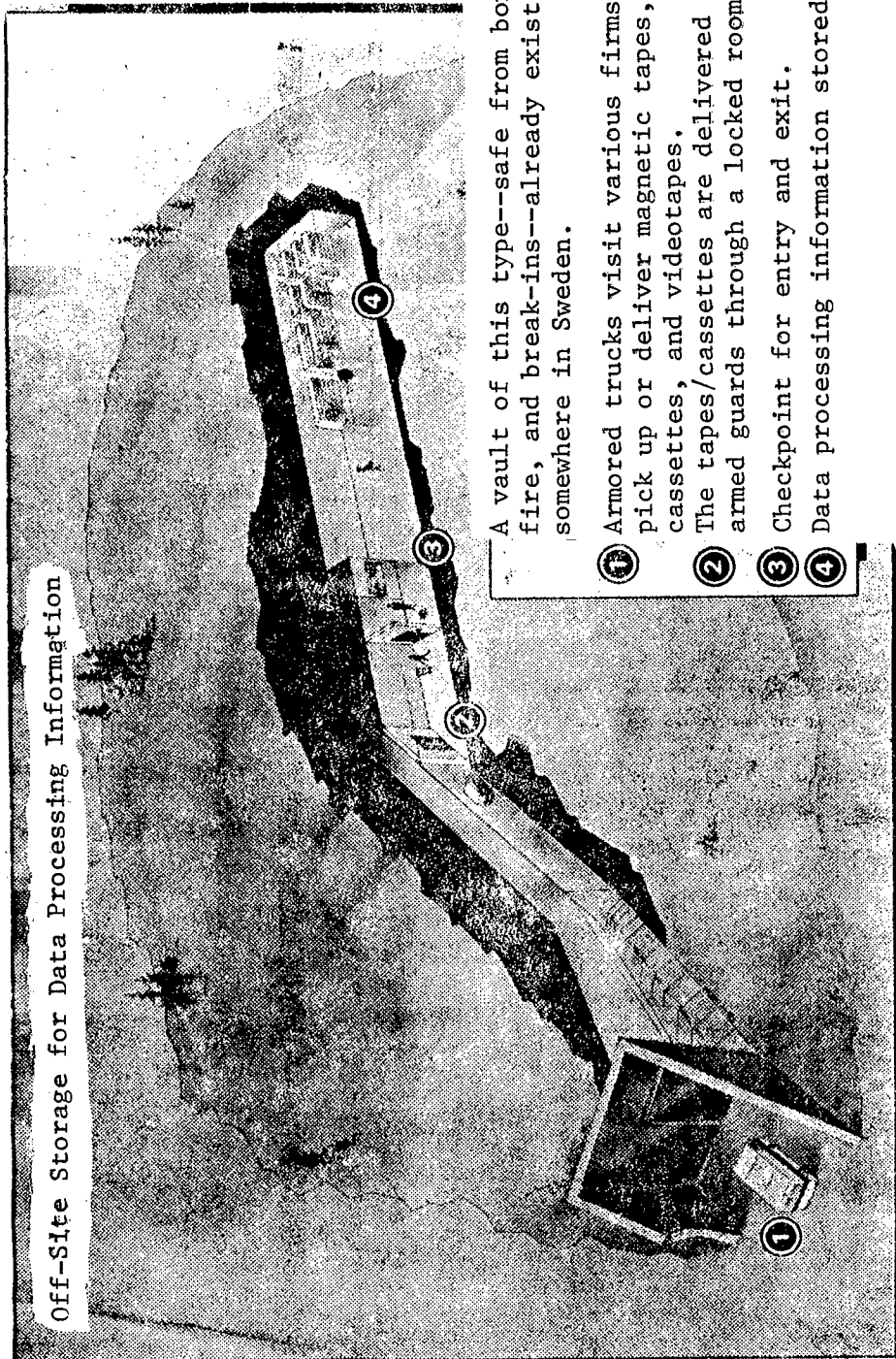
"Protection from vulnerability is not a productive investment, of course," says Hans Petzelius. "Businessmen devote time and effort to all problems of immediate interest. And the risk of disaster, being regarded as small, is brushed aside no matter how expensive the consequences may be. A businessman might hire a consultant, whose report is eventually put on a bookshelf and forgotten."

### Paralysis

"In today's computer society, we have a cultural problem with security. No one dares take responsibility for potential risks, whether they involve computer damage or nuclear accidents. When it comes to risk assessment, paralysis has spread throughout the business community," says Hans Petzelius. "The rule of life seems to be: 'The uncertain future is ours.' That is the result of advanced technology on a large scale--people have not had time to catch up."

When security managers say that "we must live with a degree of uncertainty," one wonders how big the risks they are taking really are. Hans Petzelius has an illuminating example. The Postal Giro Service and the Bank Giro Service each handle 3 billion kronor worth of transactions every day.

Off-Site Storage for Data Processing Information



A vault of this type--safe from bombs, fire, and break-ins--already exists somewhere in Sweden.

① Armored trucks visit various firms to pick up or deliver magnetic tapes, cassettes, and videotapes.

② The tapes/cassettes are delivered to armed guards through a locked room.

③ Checkpoint for entry and exit.

④ Data processing information stored here.

If it ever happened that those computer systems were completely "purged" of all their data, a state of emergency would have to be declared in Sweden to save the country from complete economic chaos. The reason is that neither of those firms, which do billions of kronor worth of business, has any permanent off-site storage of full information on their transaction activity.

#### Loss of Information

Loss of data processing information is just about the only thing for which one cannot buy insurance. There is no difficulty in finding new computers, terminals, and operating systems if a computer room is damaged by fire.

But one must be very careful with all the information hidden in computer memory. If there is no so-called backup, it may take years to enter all that information again--provided that it is possible at all. And by then, the firm in question will probably also have lost its customers to its competitors.

11798

CSO: 3650/74



## ARMY, NAVY COMMANDERS WARN OF BUDGET DECISION CONSEQUENCES

## Army Training To Suffer

Stockholm SVENSKA DAGBLADET in Swedish 28 Jan 87 p 3

[Op Ed article by Lieutenant General Erik G. Bengtsson, Army commander in chief: "We Must Demand Some Logic of the Politicians"; first paragraph is SVENSKA DAGBLADET introduction]

[Text] Lieutenant General Erik G. Bengtsson is Army commander in chief. Earlier articles on this topic were by Carl Bildt (15 January and 21 January), Olof Johansson and Gunnar Bjork (16 January), Bengt Westerberg (18 January), Per Borg (23 January), and Bengt Westerberg (25 January).

The outlines of the defense agreement are beginning to be seen. What is left now that the troubled political clouds have passed over?

Obviously, I have no reason to get into the subject of political groupings and positions. Such things are beyond me. But I feel that I have reason to bring out a few military facts concerning the Army. And the thing that causes my reaction at this particular moment is the Op Ed article by Liberal Party leader Bengt Westerberg that appeared in this newspaper on 18 January.

The starting point is Westerberg's description of the financing issue. He states that the 1 billion kronor which the agreement pruned from the Liberal Party's recommendation of 10 December were saved "primarily by postponing materiel procurement for the Army and certain other rationalization measures.

"That yielded a total of 600 million kronor." He also says that following contact with the Defense Staff, it was clear that those postponements could take place "without detriment to the strength of the Armed Forces. In that situation, we could accept that financing amount."

## The Way Things Are

Pardon me, but if that is the way things are done, it is not so strange that things are as they are in the Armed Forces.

One can conclude from this that the report from the Defense Staff was what made the entire defense agreement possible. The postponement of 600 million kronor worth of Army materiel therefore does not matter. That is astounding.

There has recently been strong criticism--especially by the Liberal Party--of inadequate striking power (modern equipment) in the Army's brigades. Those 600 million kronor represent nothing other than a planned strengthening of precisely that striking power. The urgent procurement of weapons and ammunition for combating armor is being postponed when we know that that materiel would be needed as quickly as possible. This is very unfavorable for the Army and not at all without detriment to the strength of the Armed Forces.

#### Civilians Needed

Another part of the financing problem is evidently going to be solved by a further reduction in civilian personnel amounting to 200 million kronor for the Armed Forces as a whole during the coming 5-year period. Part of that, of course, is going to affect the Army.

Generally speaking, we must keep the civilians we currently have in the Army. They are needed in the full sense of the word. We are criticized time after time, for example, for not having our mobilization stores in order. That is due to the large personnel cutbacks that have occurred in recent years. Now they are evidently thinking of making that activity even more difficult.

The politicians must either accept the fact that not all the stores are in perfect order or give us the money we need to keep enough personnel. We have to insist on some logic.

#### First Blow

The third financing method mentioned in the defense agreement states that "savings in local defense units" should be tried. What that means is still unclear. Let me simply point out that there are many such units which, along with the Home Guard, may take the first blow if a crisis develops quickly. Often consisting of local recruits, they will be responsible for defending Air Force and Navy bases and closing off an invader's entry points to our country.

Generally custom designed for their duties, they are usually quite inexpensive units, since they "inherit" personnel and equipment from the field units.

For a long time we have been forced to interfere with that organization--by shortening the length of refresher courses, for example--in order to "save" money. One quite often gets the impression that the local defense units are a kind of public punching bag that one can light into when nothing else is available. That is regrettable.

#### Wornout Weapons

So what will happen to replacement of other Army equipment during the coming 5-year period? Besides the equipment (partly postponed) which was included in

the so-called basic level (level 1), the defense agreement allows for one battalion of surface-to-air missiles and a few helicopters. Naturally, that is helpful, even though the need for replacement is much greater. That need is evidently now going to be met by giving the Army priority during the second 5-year period (1992-1997).

What will happen to Army training? This is an area where quick efforts are required.

Planned as part of the basic level is an amount of 40 million kronor per year (a total of 200 million kronor over the 5-year period) for measures to improve training. It will therefore be possible to implement those measures, and they are a first step toward creating better conditions for our training activity. There will also be certain facilities for training in protection from nuclear and chemical weapons and for combat in buildings. Replacement of our practice weapons, which are now very wornout, is much longed for and may now become a partial reality. A number of new training simulators may also be acquired.

#### Inadequate

That is favorable, and I am trying to order implementation of those steps as quickly as possible. They are of very great importance to NCO's in their essential job of training our conscripts.

According to the defense agreement, 700 million kronor will also be provided for Army training during the 1987-1992 period. That sounds like a lot, and of course it is. But the fact is that of that amount, 500 million kronor (100 million kronor per year) are already earmarked for cost increases needed so that we can achieve the same training level in the future that we had in 1985 and 1986. The result is that there will be no additional efficiency. That leaves 200 million kronor--that is, 40 million kronor per year at most--for certain higher ambitions. That is completely inadequate in view of the threat scenario of the 1990's. Additional money is required.

Improvements are necessary and must be put into effect in 1987 and 1988. This applies primarily to joint training by brigades and battalions, combat capability against mechanized units and airborne assaults, and defense in the broad sense.

#### More Constructive

The politicians have also agreed that "the Army's training system and peacetime organization will be looked at" with a view to Parliament's defense decision in the spring of 1989. That work has already begun. And I hope it will be more constructive than what we have been forced into over the past 2 years, when a great deal of work went into trying out various proposals that later proved impracticable.

We are currently looking basically at the entire wartime organization and considering both a longer basic training period for the most advanced units and a new system of refresher training.

## Danger of Forgetfulness

What remains unclear from the Defense Committee's work is the new system of price compensation. This is very important, since the current system is responsible to a large extent for the Army's economic problems today. If no change comes about in that regard, uncertainty with respect to planning will be as great as before.

We in the Army will naturally do our best with the defense decision that is adopted this spring. That is what we have always done, and it is our duty. But it is important that the conditions for that work be clearly stated, because there is great danger that after 3 or 4 years, the politicians will have forgotten what they said at the start of this year of peace, 1987.

## Navy Ship Replacement Necessary

Stockholm SVENSKA DAGBLADET in Swedish 14 Mar 87 p 2

[Commentary by Fredrik Braconier: "Navy Commander in Chief on the Warpath: Scolds Opponents of Coastal Corvettes"]

[Text] Armed Forces Staff College--The Royal Society of Naval Sciences makes one think of proud armored vessels and stout cannon that were measured in inches and dozens of centimeters instead of paltry millimeters like today's guns. But when that society, whose origins date back to 1771, met last Thursday, the discussion, naturally enough, was not about the steel giants of the dim past but about the meeker coastal corvettes and contemplated warships of today and tomorrow.

If the minister of defense had brightened the meeting with his presence, he would have been able to note that there was astoundingly little gold braid to be seen in the audience.

The chairman--outgoing Defense Staff chief Vice Admiral Bror Stefenson--showed up, for example, in a discreet suit. The same was true of such old salts as Admirals Hans C. Uggle and Ake Lindemalm, who have now been put ashore. Generally speaking, the only officers living up to the Ministry of Defense's image of a Navy officer were Bengt Schuback, Navy commander in chief, and Claes Tornberg, commander in chief of the Coastal Fleet.

The main speaker was Schuback. The current Navy commander in chief is a cautious strategist and therefore a good match for today's smaller-bored weapons. When a good many Navy men started raging in the fall of 1985 about the lack of funds and the government's remarkable official statements concerning the respect created for our territorial integrity, the vice admiral poured oil on their heaving feelings. He claimed, among other things, that the rebuilding of antisubmarine resources to date had corresponded well to the Navy's ability to use the resources provided.

This time his tone was somewhat more critical. Concerning the defense budgets decided upon for coming years, Bengt Schuback felt that a dangerous gap

between resources and missions might appear. The Navy commander in chief said that demands for further strengthening might be the result, and he drew attention to the need that will arise in the relatively near future to replace a considerable number of ships.

Schuback also struck a blow for today's armor protection and scolded those who have been influenced by unreliable statements concerning the vulnerability of surface attack. Exercises in both Sweden and the rest of the world have shown the opposite.

There was no minister of defense on whom the Navy commander in chief could rivet his eyes when saying those words, of course. He had to be content with looking at two of the minister's kindred spirits in the form of Hans Lindblad and Kerstin Ekman, both Liberal Party members of Parliament. Lindblad, for example, has written in this newspaper:

"The question is whether that type of ship (the coastal corvette) has a realistic chance of surviving in the threat environment that can be expected before and after the turn of the century."

In earlier times, such blasphemous statements would have earned one an immediate keelhauling. But as everyone knows, today's customs are milder, so punishment was limited to a verbal rebuke in which no names were mentioned. Indeed, methods have changed to such an extent that Lindblad has been promised a mention in one admiral's will.

The man who gave that solemn assurance was Schuback's predecessor in the 1960's, Ake Lindemalm. He has guaranteed that if the new type of vessel being advocated by the Liberal Party works--it calls for personnel and weapon systems to be shifted around like freight containers, depending on the mission involved--Lindblad "will get a free lunch in my will."

If that meal is ever served, it apparently will not be possible to eat it in an oak-paneled ship's mess with sparkling brass. According to Claes Tornberg of the Coastal Fleet, today's small ships are distinguished by a poor working environment and deficient hygienic standards. The problems have become obvious in recent years as ships have remained at sea for considerably longer periods than previously.

As a result, Lindblad's potential share of the inheritance is most likely to consist of something eaten out of a can to the accompaniment of roaring engines and far from the glitter of captain's bridges that by then will have long since been broken up.

11798

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## OFFICERS ASSOCIATION: REDUCE NUMBER OF CONSCRIPTS TRAINED

Stockholm DAGENS NYHETER in Swedish 5 Feb 87 p 17

[Article by Anders Ohman]

[Text] Reduce the number of conscripts called up for basic training by 6,000 for the next few years. That step is being called for by the Swedish Officers Association (SOF) as one way of improving military training and offsetting the shortage of NCO's by achieving a better balance between resources and tasks.

According to the SOF, that reduction--representing about 10 percent of the conscripts called up each year--is to be temporary. Training can be resumed in the 1990's, when lower birth rates will result in fewer conscripts.

The officers association has presented its demand for reduced conscript training to the OB [supreme commander of the Armed Forces], the Parliamentary Committee on Defense, and the Ministry of Defense in various connections.

"The OB has shown some understanding and reduced the number by 1,500, but that is not enough. Otherwise, the attitude in the political area has varied. There is clearly a fear that our demand will adversely affect compulsory military service," says Olle Sandhaag, secretary of the officers association.

## Dissatisfaction

Last Tuesday, DAGENS NYHETER reported on the very strained situation at I-1 (Svea Life Guards) in Kungsängen, where dissatisfied conscript corporals have protested the fact that they cannot complete their training and be assigned to their original duties in the wartime organization.

At I-1, whose budget is 28 million kronor short, target practice with live ammunition and other exercises have been cut back sharply. The dissatisfied corporals at I-1 are wondering whether it is justifiable to assign young men who are not trained to meet wartime demands to the wartime organization.

I-1's NCO's support the conscripts and sympathize with their demands. It is a waste of money to spend 25 million kronor on about 800 soldiers who cannot complete their military training.

The officers association feels that the reaction by the conscripts is sound and correct.

"It is especially helpful that the protests are coming from those involved. They are protesting instead of taking it easy. The point, of course, is how much confidence the conscripts are going to have in the defense organization," says Olle Sandhaag.

#### Discussion

The officers association has organized a debate for mid-February on the subject of conscript training. There the matter will be brought to a head: shall conscripts be trained or given a job?

Invitations have been sent out to the youth organizations of three parties represented in Parliament, the Ministry of Defense, the Armed Forces Enrollment Administration, the AMS [National Labor Market Board], and others.

In its invitation, the SOF notes that working conditions in large sections of primarily the Army's training organization are unacceptable. In turn, those difficult working conditions generate more early resignations by officers and militate against good recruitment.

The conscripts are becoming aware of those problems chiefly because training is deteriorating and does not lead even to acceptable training results.

Several polls have shown that conscript confidence in the military authorities is lower after completion of basic training than before. The SOF says that one of the most important reasons for that is the shortage of NCO's in the training organization.

#### Breathing Space

The officers association's demand that the basic training contingent be reduced by from 5,000 to 6,000 conscripts means that an 18-year-old who has signed up and completed high school could wait about 2 more years before doing his military service.

That would give the NCO's--and the conscripts being trained--a "welcome breathing space." Working conditions and training results could be improved, early resignations halted, and new officer recruitment improved.

The questions which the officers association wants answered are these: will the conscripts win or lose by having their military service delayed by 1 or 2 years? Will there be undesired social consequences? Is the idea suitable from the standpoint of education and the labor market? What will happen to confidence in the military authorities if the reduction is not carried out?

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## DRAWING DOWN OF CONTINGENCY STOCKPILES SEEN HURTING DEFENSE

Stockholm SVENSKA DAGBLADET in Swedish 2 Feb 87 p 2

[Editorial: "Not Only the Military"; italicized words indicated by slantlines]

[Text] The recently deceased Barbro Alving created a stir in her day by refusing any kind of civil defense duty and winding up in jail as a result. To many people--hopefully most--her gesture seemed grotesque: how could anyone want to avoid doing his or her best to help suffering, injured, and terror-stricken fellow human beings?

But there was a kernel of both wisdom and seriousness in Barbro's attitude. She was a pacifist, and by taking the stand she did, she wanted to draw attention to the fact that civil defense is an essential part of our total defense. If, like her, someone really feels that our country should not defend itself from military attack, it is logical to oppose civil as well as military defense. Meritorious peacetime efforts in connection with searches, the combating of forest fires, and sea rescue missions are not, after all, the reason for the existence of civil defense. Its purpose is to do as much as possible to prevent or lessen damage and injury from air raids.

Precisely for that reason, it is extremely unsatisfactory that civil defense should have been treated so poorly in the defense agreement--so deplorable in itself--which has been reached between the Social Democrats and the Liberal Party. It would be a bad thing if, in the debate, this problem were pushed into the background by the more dramatic problems in the military area.

The hard fact is that Sweden does not have, and is not going to have within a reasonable period of time, the means for providing its population with such basic things as protective masks and bomb shelters in the necessary numbers--not to mention other shortcomings. It should be obvious to everybody that in time of desperate need, that situation is necessarily going to cause increased fear and more suffering, just as it is necessarily going to reduce the ability of the military forces to hold out and the national leadership's firmness against threats and pressure.

In some quarters, there has long been strange propaganda to the effect that in the interest of peace, Sweden should transfer resources from military to civil



defense. In all likelihood, that kind of talk is due to the power of language over thought or, quite simply, to prudishness toward what are regarded as dirty words. If they used their heads, most people would probably agree that it is better to nip things in the bud. Better to shoot down an attacking bomber than to dig the injured and dead out of a pile of ruins. /Simultaneously/ saying no to a modest and necessary buildup in fighter planes /and/ half-starving civil defense is undeniably a case of conspicuous inconsistency, even in the context of defense policy.

A great deal of the financing for the horse trading involved--scraping money together by selling off a substantial portion of our stockpiles of petroleum and strategic metals--seems no less strange. No way of replacing either is in sight. We stockpile cobalt and manganese precisely because they are irreplaceable. Helicopters, corvettes, and tanks cannot be powered by sun or wind, peat or coal, or nuclear energy. A lot of things happen in war, and there really is reason to remember, when faced with figures showing that our stockpiles are of such and such a size, that a great deal of what has been stockpiled in storage tanks and stores will very probably be destroyed "if the nation gets into a war."

The idea that Sweden's combined total defense can be strengthened by deliberately and openly reducing its stockpiles of fuel and jeopardizing its access to raw materials for the steel industry is something that probably only party leaders and those closest to them can believe.

The unfortunate fact is that in a showdown between the cashbox and the fuel tanks at an air base, the latter are going to have the last word.

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## PAPER COMMENTS ON FOREIGN MINISTER, SUB VIOLATIONS

Stockholm DAGENS NYHETER in Swedish 3 Feb 87 p 2

[Editorial: "Sten Andersson Thinks out Loud"]

[Excerpts] It is admirable that the minister of foreign affairs should have thought out loud in Storlien. The government needs to be heard on national issues.

The basic theme of those three key words--security, solidarity, and mutual understanding--is well known. But this time, Sten Andersson also brought out some information about the sub violations--a subject which the government usually remains only too quiet about and which it sullenly refuses to discuss in Parliament or to talk about in response to newspaper questions.

But the public is still not helped much by the fact that public statements about foreign surveillance and intelligence activity have no connection with the facts, distort and misrepresent, or deal with matters which do not lead to further action by the national leadership and its military organs.

When Sten Andersson says it is "in the nature of things" that the authorities should not always want to comment on various items of information or violations, he seems to be underestimating the danger that all kinds of stories will freely float around, with the attendant risk of doing damage to national solidarity.

The minister of foreign affairs says he does not want to conceal the fact that Sweden has long been the object of foreign surveillance and intelligence activity--which may be a cryptic way of referring to intrusions taking place by means other than submarine activity. According to Sten Andersson, the government continues to feel that increased military activity in our vicinity is the result of measures being taken by the superpowers and the military alliances against each other. That activity is explained as being "not directed primarily against Sweden."

That statement sounds remarkably dogmatic, especially if it is interpreted as meaning that the activity in question does not really have Sweden as its target. Can it be a matter of closing one's eyes to what is unpleasant? Sten

Andersson is reported in SVENSKA DAGBLADET as having admitted that he is concerned about speculations, but at the same time, he is reported to consider it a weakness that the Submarine Commission worked with only one hypothesis--that "submarine activity represents the preparatory phases of a military operational plan." One's curiosity is aroused by Sten Andersson's further remark that he knows "the military are now playing with more" hypotheses.

Perhaps the most startling thing for many people is that apart from his speech, the minister of foreign affairs seems to be saying that both big power blocs are suspected equally of violating our territory. A more important goal in Sten Andersson's speech, however, is to put those suggesting that security policy needs to be revised if it is not to be ineffective in their place. Such criticism is said to be at "the outer fringes of the debate."

That needlessly condescending remark is aimed at researcher Wilhelm Agrell, among others. In his recently published anthology entitled "By All Available Means," Agrell emphasizes, perhaps more clearly than ever before, that Sweden's defense strategy should "be based on the premise that, although not nonexistent, our own possibilities for keeping the country out of a future war are limited."

According to Agrell, it is no longer a matter of deterring an attack but of facing up to one under unfavorable conditions. Behind his recommendation for a new "doctrine" lies his analysis that because of military technical and strategic developments, it can be assumed that Sweden has wound up "inside the zone in which the Soviet Union feels that it has legitimate wartime security interests."

That analysis is a fragile one as far as the objectively demonstrated circumstances underlying it are concerned. But naturally, the government cannot ignore the risk seen by Agrell. Perhaps Sten Andersson's speech and his interviews will also help move some of the critics in from the "outer fringes of the debate." That seems to fit in well with his own marked pleasure in debate.

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## DEFENSE COMMITTEE CHAIRMAN GIVES VIEWS ON THREAT SCENARIO

Stockholm DAGENS NYHETER in Swedish 9 Feb 87 p 8

[Report on interview with Per Borg, Defense Committee chairman, by Anders Mellbourn; first paragraph is DAGENS NYHETER introduction]

[Text] The Defense Committee will complete its work within a couple of days. Here its chairman, Per Borg, answers questions on how the Armed Forces will be affected by new threat scenarios, the role of nuclear weapons, and the need for conventional fighter planes.

More money for training, exercises, and preparedness in all branches of the total defense organization and more resources for electronic warfare. But not more Viggens or coastal corvettes. That is what Under Secretary of State Per Borg would have wanted most if he had had another billion kronor to allocate to the Armed Forces of the future.

As the highest political official in the Ministry of Defense and chairman of the Defense Committee, Per Borg is satisfied with the defense agreement that will be presented in the next couple of days as the majority recommendation in the committee's final report. The new increase of 6.2 billion kronor for the next 5-year period means that defense spending will rise for the first time in 15 years.

And if the Armed Forces had received even more to work with, he feels that more aircraft and ships would not be the most urgent need: training and exercises in all branches of the service, especially in the Army but also in civil defense, need to be improved. The efforts already being made in the area of electronic warfare as a means of using modern electronics both to jam an attacker's systems and protect our own could be stepped up.

"More Exposed"

A defense committee serves for 3 years, and its job is to decide on the budget for total defense for the next 5-year period. The first phase of its work consists of a debate on security developments in Sweden's vicinity--that is, on what kind of threats and acts of aggression the Armed Forces can expect to have to deal with. The 1984 Defense Committee agreed in the spring of 1985 on

a report which stated that the Nordic Region's position had become "more exposed" to war and crises because of strategic developments.

We asked: "What changes in Sweden's defense organization is the committee proposing in view of that 'more exposed position'?"

"It may be hard to see a connection between proposals and threat scenarios on individual points," said Per Borg in his quite ordinary office in the otherwise magnificent old row of bank offices on Gustaf Adolf Square, where the Ministry of Defense is located.

"But the Nordic Region's increased strategic importance and the risk of our being drawn quickly into a major war--an improbable event in itself--are naturally the general reasons for our current increase in defense spending."

#### Gradual Change

The 1985 report on security policy discusses the development of aviation systems in the world around us and the current activity on Sweden's borders, including the submarine intrusions. That, according to Per Borg, is why the committee's recommendation is slanted toward aviation, antiaircraft defense, and antisubmarine protection.

We asked: "But many participants in the debate on security policy want to go further; they talk about the need for a new defense doctrine, saying that Sweden has been drawn much more directly into the sphere of interest of the superpowers and especially the Soviet Union. What does the Defense Committee say about such ideas?"

Per Borg pointed out calmly: "It is good that there are circles thinking of the big alternatives. But I don't believe that this is the kind of committee where people decide to suddenly change doctrines. We concern ourselves with areas where no one wants to see drastic changes. The important thing is for us to note changes in the world around us at an early stage and draw our conclusions gradually. An example of such a gradual shift in organization is the fact that we are now giving more money to the Air Force and Navy, which have more border protection duties in peacetime."

We asked: "Much of the debate over threat scenarios at the moment is concerned with the danger of sabotage and surprise attack. How has the Defense Committee responded to that?"

Per Borg said: "I believe that is a threat which we must take very seriously. We are a technically advanced and open society, and we know that sabotage methods are being developed in both the West and the East. But the OB [supreme commander of the Armed Forces] has a plan for dealing with that. It is being implemented and is included in the OB's basic budget level."

We asked: "Nuclear war is what people are most afraid of as far as the future is concerned. But protection from nuclear weapons does not play a major role in Swedish defense planning, does it?"

"There are those, of course, who say that there will be a nuclear war and that we therefore will not be able to defend ourselves. That idea is correct to the extent that if there really is a nuclear war, there will be no defense. This means that a nuclear attack cannot be a really important scenario in our defense planning. But there could be a conventional war. And if we can stay out of a phase of conventional war, we will not be a target worth attacking if the conflict escalates to the nuclear level."

#### Must Be Creative

He dismisses the criticism that the majority on the Defense Committee wants to cut back on bomb shelter construction:

"Until now we have let construction be governed by new housing construction. Now we are going to concentrate on finding other ways to protect ourselves without building bomb shelters like those in the centers of big cities. We will have to be a little creative--by trying to use the subway system in Stockholm, for example."

We said: "In the general debate, the notion has arisen that the Army, Air Force, and Navy can no longer play their traditional roles in response to the threats of war that may come from outside the country. General conscription costs a lot of money and does not always result in good training. The Army is going to have to invest in a new tank for the future. But is it actually realistic to believe that Sweden will have to be defended in a regular armored battle in the future?"

Per Borg is not surprised at those questions:

"I am not prepared to give up general conscription. It is needed for general democratic reasons in order to sustain the idea of defense in people's minds. We also need many units all over the country so that we can at least confront and check an aggressor who lands troops from the air or the sea.

"But as a matter of fact, this does become very expensive," he continued. "That is why we must go further by differentiating even more than we do now between a few very advanced infantry and armored brigades on the one hand and local units with limited missions on the other."

#### Surface Ships?

The future of tanks after the year 2000 is something that Per Borg is rather uncertain about. It would cost more than the supreme commander has requested in his long-term plan to replace our fleet of tanks over 10 or 15 years.

"If we do not get enough new tanks, we will lose the capability of defeating an aggressor after he has landed on the Skane Plain. The question is whether it is possible to come up with something else guaranteeing that we will be able to stop the aggressor before he gains a foothold. That is one example of the kind of reappraisal that will be important in preparing for the 1992 defense decision."

We said: "The Navy's needs are emphasized in this year's defense agreement. But at the same time, many people are claiming that there are no missions left for surface ships in a modern war."

Per Borg concurred: "That question was actually dealt with way back in the 1958 defense decision, which said that the fleet would be restructured. There has always been great skepticism as to what we can do far out at sea in a wartime situation. Instead, more could be achieved with land-launched missiles and submarines."

He continued: "But surface ships are useful in peacetime and in situations of conflict where Swedish borders must be protected. We cannot readily fire off shore missiles at those violating Swedish waters in peacetime."

We said: "There was a lot of talk in the 1970's about replacing warplanes with missiles. And the Air Force has cut the number of its planes in half since 1970, while in the world around us, the Soviet Union in particular has increased the number of attack planes it can use against Sweden. What does the Defense Committee really expect from aircraft when it talks about the increasing importance of air defense in the future?"

Per Borg pointed out: "So far we have not made up for the smaller number of aircraft with missiles. The entire debate about aircraft as opposed to missiles died with the JAS decision to produce a new warplane. But either before the 1992 decision or before 1997 we will have to discuss exactly how many more JAS aircraft we are going to build after the turn of the century. At the same time, we should make a careful study of the proper balance between aircraft and antiaircraft defense."

He is less impressed by the argument that the Soviet Union has acquired so many more aircraft. He views the arms buildups by the superpowers as being directed against each other, not against Sweden. The question must always be how much of their military forces they consider it worthwhile to use against Sweden. The idea of an isolated attack on Sweden, which has sometimes arisen in the debate, is something he regards as completely improbable.

"I want to say flatly that we can stand up to whatever resources they might deploy against us," the under secretary of state asserted with the authoritativeness of his office.

We asked: "But how do you view all the criticism which has been directed, particularly by military officers themselves, against the Defense Committee's ideas and recommendations?"

"Certain officers have had unrealistic expectations--in connection with a Viggen squadron and more coastal corvettes, for example. But I believe in the Swedish system of openness, in which officers can also take part in the debate. This is a point on which we differ from other countries, and it is sometimes hard to explain to foreigners. But naturally, freedom should be used responsibly, and I believe that most officers do well at maintaining the proper balance."

Per Borg also recalled that officers have made another criticism which has not received as much attention. It is based on the idea that not enough funds have been provided for training, exercises, and preparedness.

"That criticism actually makes a bigger impression on me."

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## LIBERAL PARTY DEFENSE EXPERT: MILITARY HIDING THREAT REALITY

Stockholm DAGENS NYHETER in Swedish 10 Feb 87 p 7

[Report on interview with Hans Lindblad, Liberal Party member of the Defense Committee, by Peter Bratt]

[Text] "The military do not want to talk about what the Armed Forces are to be used for. They do not want to explain in plain language exactly what kind of attacks we are supposed to defend ourselves against. Instead, the threat scenario is constructed on the basis of the existing organization."

So says Hans Lindblad, the Liberal Party's defense expert, who is a member of the Defense Committee and of the Parliamentary Committee on Defense.

Hans Lindblad was one of the architects behind the defense agreement reached between the Social Democrats and the Liberal Party. But how is it possible for one of those responsible for deciding on future budgets for the Armed Forces not to know himself what those Armed Forces will be used for?

"Threat scenario" is the military expression which should be the key to the entire defense debate. It designates all the military threats which might be directed against Sweden.

Anyone who wants to know whether we have a strong or weak defense must first know what the aggressor's resources are. What is the threat scenario in practical terms---that is, in terms of ships, aircraft, and troops?

"You will understand our Armed Forces better if you look at the interests involved rather than at the threat scenario, which does not exist. The armed service wanting to protect just its own organization will depict a war in which precisely its own resources show to advantage.

"It might be expected, of course, that the Office of the OB [supreme commander of the Armed Forces] would say that this wartime organization has weakness 'x' because the enemy can now launch attack 'y' because he has acquired more units of 'z.' That is not how they argue their case. Instead, they say that our Armed Forces are now too weak because they were stronger in that particular area in 1978."

## Loyalties

Hans Lindblad says that what the OB presents as proof of our weakness are the relative changes in the Swedish level.

He says it is the organizational structures themselves which determine everything. The fighting services think primarily in terms of how many aircraft, ships, and tanks they have, and it is very difficult to get anyone to think in terms beneficial to the interests of total defense.

Lindblad says it is hard for the OB to present proposals without agreement by the heads of the armed services. And they, in turn, are bound by ties of loyalty down to the level of regimental commander.

"That gives a sort of veto power to those who are four rungs down on the organizational ladder. The same thing is true in all structures, but if a school is not functioning, the pupils and parents can protest, and if health care is not functioning, the patients and their relatives can kick up a fuss, but who is going to follow up if the Armed Forces are not functioning?

"It is forbidden to enter the mobilization storage dumps and take a look--and that is where many major shortcomings exist today--and a layman is not allowed to know what the threat scenario consists of."

## Half Strong

Hans Lindblad says that the main thing is not the total cost of defense but the way that cost is applied. It cannot be meaningful to invest large sums in armor to combat an enemy after he has taken a couple of ports while investing smaller sums in the ability to keep him from ever landing in the first place.

When faced with the choice between being half strong in both areas, it is better to concentrate our strength on stopping an invasion. That way, it will not be necessary to combat any enemy tanks.

The investments provided in the latest defense agreement also mean that our naval defense is being strengthened. There will be 14 submarines instead of 12, and the number is increasing because instead of being deleted, the old subs will have their service life extended.

Lindblad says: "Some people feel that naval defense may be growing too strong, but it doesn't matter. We can lose corvettes and all kinds of units as a result of an enemy's initial surprise attack and still have enough left over."

Actually, the Soviet Union and the Warsaw Pact countries do not have enough resources for invading Sweden across the Baltic Sea. What the Soviet Union is really interested in is the Norwegian coast and the air bases there.

The idea of crossing central Sweden in order to set up a base in Norway after several weeks of fighting here and then to fight whatever NATO has been able to bring up to the front is absurd, according to Lindblad.

The same is true of Soviet Frontal Aviation. True, it is now capable of operating anywhere in Scandinavia with its Su-24's, but those attack aircraft cannot be protected by Soviet fighter planes and lack radar. (Attack aircraft strike at land and sea targets, while fighter planes combat other aircraft.)

But does this not mean that Swedish defense is strong enough to repel any likely attacks if it sticks to what is called the Eastern war contingency?

Lindblad agrees with that. He also does not put much faith in the idea of a nuclear threat against a Swedish city to force Sweden to capitulate.

"If nuclear weapons have not been used already, that threat will be unrealistic. And if they have been used elsewhere, the war will quickly become a matter of survival for the superpowers. It will then be necessary to strike at immediate threats, and we hardly have any of those here."

What irritates Lindblad is the inadequate planning for total defense and the fact that the Army "is not functioning." If the politicians could get the threat scenario translated into plain language, they would also be in a position to set priorities. That is why the OB's Office avoids talking in plain language.

Lindblad says that because of the doctrine of general conscription, people are being trained for things for which they are not needed.

"Civil defense needs a great many people currently being denied to it because the doctrine says that training must be military.

"Out of 50,000 receiving military training, only 40,000 will be placed in wartime units. The rest are superfluous. But they cannot be assigned to civil defense, where they would really be needed."

In wartime, all resources will go to the military. The result is that communications and medical care will collapse, says Lindblad.

"The military will take 23 of the 28 doctors on the surgical staff in Linköping. According to current plans, they will be replaced by three dead doctors, one who is 83 years old, and others ranging down to 70 years of age."

#### Military Bluff

Another thing that exasperates Hans Lindblad is the fact that the military lie in order to get their demands for money accepted.

Shaking his head, Lindblad says: "I was told by someone on the Defense Staff that 'the OB cannot propose a cheap solution because you politicians would accept it.'

"Before the latest defense agreement was reached, the OB had claimed that it was not possible to extend the life of the older submarines. But afterwards, it was perfectly possible.

"The Air Force commander in chief maintained resolutely that it was absolutely necessary to get a new Viggen squadron and that it was completely impossible to dust off a number of Drakens now in mothballs.

"Later, when it proved impossible to get the Viggen squadron accepted, the Drakens turned out to be a terrific idea instead. The Viggen suddenly lacked armament, and the Draken pilots who had not existed previously suddenly appeared from nowhere.

"According to previous OB versions, the solution now agreed upon by the Liberal Party and the Social Democrats would have been impossible to implement. It is obvious that the authorities always try to look out for their own, but when they argue in this manner, they lose credibility.

"The story at first was that neither submarines nor Drakens could be rebuilt or repaired. Now it is possible, and the difference is 3 billion kronor in comparison with the earlier proposal."

Hans Lindblad would prefer to close down a number of local defense units. There is a shortage of people, materiel, and trained personnel. The suit is cut too large. Lindblad feels that instead of 20 second-rate units, it would be better to have 15 that are functioning.

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## NUCLEAR POWER PHASE-OUT: POLL RESULTS, CARLSSON APPROACH

## Poll Shows Opinion Split

Stockholm DAGENS NYHETER in Swedish 8 Mar 87 p 13

[Article by Sven Svensson]

[Text] Concern over nuclear power has diminished in comparison with the situation that existed immediately after the accident in Chernobyl. At the same time, there is wide divergence of opinion in all the parties as to the pace at which the 12 nuclear reactors should be shut down, according to a poll conducted by DAGENS NYHETER and the IMU [Institute for Market Research]. Half of the Center Party's voters want an immediate phase-out, while the other half want to keep nuclear power until the year 2010 or beyond.

The Social Democrats' policy calls for phasing out nuclear power by the year 2010, although it is still unclear when that phasing out should begin. The official policy is not supported by a majority within the party. A strong group of Social Democrats wants an immediate phase-out before 2010, and another group, almost as large, wants to keep nuclear power after 2010.

Most Conservative voters want nuclear power to be phased out by 2010, while only one Conservative voter out of three supports the official party line, which says that nuclear power should be retained after 2010. The Liberal Party is split into three wings of equal size.

DAGENS NYHETER and the IMU started in February by asking 1,012 people how the Chernobyl accident had influenced their stand on nuclear power and whether they believed that a similar accident could happen in Sweden.

Their answers reveal that concern has diminished since the previous poll, which was conducted in May of last year in close connection with the disaster in Chernobyl.

Here Too

In May 1986, 82 percent felt that an accident could also happen in Sweden. That figure is now down to 72 percent. At the same time, the number not

believing that a nuclear accident could happen in Sweden rose from 17 percent in May of last year to 22 percent in February of this year.

Here is how the figures are broken down, with the figures for May shown in parentheses:

An accident can just as easily happen in Sweden: 37 percent (50 percent).

It might happen in Sweden: 35 percent (32 percent).

It is not likely to happen in Sweden: 17 percent (12 percent).

Generally speaking, it can be considered impossible in Sweden: 11 percent (5 percent).

Don't know: 1 percent (1 percent).

A higher percentage of women than men believe that a nuclear accident can also happen in Sweden.

Among the women, 81 percent believe that a nuclear accident is also possible in Sweden, compared to 64 percent of the men.

This spring, Parliament will be presented with a draft resolution in principle with a plan for phasing out nuclear power by the year 2010 in accordance with the parliamentary decision that was adopted following the referendum.

With that decision approaching, voters were asked whether they felt that nuclear power should be halted before 2010 or by 2010 or continued after 2010.

#### Immediate Phase-Out

The Social Democratic Party [SDP] and the Liberal Party feel that nuclear power should be phased out by 2010, the Conservative Party wants to keep nuclear power after 2010, and the Left-Party Communists [VPK] and the Center Party are in favor of phasing it out immediately.

The poll shows that the percentage of voters wanting an immediate phase-out has declined in comparison with the poll conducted in May of last year, while the percentage wanting the phasing out of nuclear power to continue until 2010 or even wanting to keep nuclear power after 2010 has increased.

Thirty-six percent feel that nuclear power should be eliminated before 2010, compared to 54 percent in May of last year; 38 percent feel that nuclear power should be kept until 2010, compared to 27 percent in May; and 23 percent want to keep nuclear power after 2010, compared to 16 percent in May.

It is mainly the women who want an immediate phasing out of nuclear power before 2010. One out of every two women (48 percent) wants an immediate phasing out, compared to only one out of every four men (23 percent). At the same time, it is mainly men who want to keep nuclear power after 2010.

In its poll, the IMU could not detect any differences between rural and large urban areas. On the other hand, people between the ages of 30 and 39--the generation of parents--are more negative toward nuclear power than young people and the older population.

The poll on nuclear power was conducted at the same time as the latest voter barometer. As a result, it is possible to determine how voters for the various parties stand on the issue of phasing out nuclear power.

The poll shows that except for the VPK and the Environment Party, no party has a majority of its own voters behind its official policy for phasing out nuclear power.

The most surprising result is that the Center Party, which has made the prompt phasing out of nuclear power a crucial party issue, is split into two wings of equal size.

<u>Proposed solution</u>	<u>Party Split</u>		<u>Center Party/ Christian Democratic Party</u>	
	<u>Conservative Party</u>	<u>Liberal Party</u>		<u>SDP</u>
Nuclear power should be phased out before 2010	22%	31%	47%	32%
We should keep nuclear power until 2010	40	33	38	43
We should keep nuclear power even after 2010	34	34	8	22
Don't know	5	2	7	3

There is considerable disunity in all parties over the pace at which nuclear power should be phased out. For example, 38 percent of the Center Party's voters want to keep nuclear power until 2010, while the party leadership wants it to be phased out immediately. Data on the VPK and the Environment Party are not extensive enough to permit definite conclusions, but the majority in both parties supports an immediate phasing out.

<u>Proposed solution</u>	<u>Phasing Out of Nuclear Power</u>	
	<u>Total (%)</u>	
	<u>May 1986</u>	<u>February 1987</u>
Nuclear power should be phased out before 2010	54	36
We should keep nuclear power until 2010	27	38
We should keep nuclear power even after 2010	16	23

Concern over nuclear power has diminished. There is considerable disagreement on the subject of phasing it out.

The will to phase out nuclear power immediately has declined considerably in comparison with the situation immediately after the Chernobyl accident in the spring of 1986: 36 percent now want nuclear power to be phased out before 2010, compared to 54 percent in May of last year.

Of the Center Party's voters, 47 percent want nuclear power to be phased out before 2010, while 38 percent want to keep nuclear power until 2010, and 8 percent want to keep it even after 2010.

#### SDP Split

The split in the government party--the SDP--shows up clearly in the poll, with 43 percent of that party's supporters according to the latest voter barometer supporting the official party policy of phasing out nuclear power by 2010, 32 percent wanting it to be phased out before 2010, and 22 percent wanting to keep nuclear power after 2010.

The split in the Conservative Party turns out to be surprisingly large. Only one out of three Conservative voters (34 percent) supports the official party policy, which calls for nuclear power to continue after 2010, while 40 percent want it phased out by 2010 and 22 percent want it phased out before 2010.

The Liberal Party's party organizations support a phase-out by 2010, but its voters are divided into three equal groups: 31 percent want nuclear power phased out before 2010, 33 percent support the party policy of phasing it out by 2010, and 34 percent want to keep nuclear power after 2010.

#### Environment Party Divided

Poll data on the VPK and the Environment Party are insufficient for drawing any definite conclusions: 66 percent of the VPK's voters want an immediate phase-out, but 20 percent want to keep nuclear power even after 2010. Supporters of nuclear power also form a rather large group even among the Environment Party's voters: 53 percent recommend phasing out nuclear power before 2010, 32 percent want it phased out by 2010, and 13 percent want to keep it after 2010.

#### Carlsson's Soft Start

Stockholm DAGENS NYHETER in Swedish 8 Mar 87 p 13

[Article by Ake Ekdahl]

[Text] The nuclear power issue is now in Prime Minister Ingvar Carlsson's hands, not those of Minister of Energy Birgitta Dahl. The party board's decision to make an early "soft start" on the phasing out of nuclear power is a compromise that bears Carlsson's mark.

When the rift in the SDP grew to the point that it could be gaged at exactly a 10-year difference in the timetables for phasing out nuclear power, the party chairman stepped in. Ten reactor years for each of the two units at Barseback represent the difference splitting the party, with the LO [Swedish Federation of Trade Unions], the TCO [Central Organization of Salaried Employees], and such important unions as those representing metalworkers and engineering, forestry, and pulp and paper workers on one side and the Women's Federation, the Youth League, and the Christian Brotherhood Movement on the other.



The unions are worried that an immediate phase-out will have a severe effect on employment and raise electricity prices. About 5,000 jobs in the pulp and paper industry alone would disappear if nuclear power were phased out within a 10-year period beginning now. That would be a blow to districts which are already hard hit, examples being the Norrland coast and Bergslagen.

The party's auxiliary organizations and the Social Democratic protest group known as Safe see political and tactical reasons for meeting the documented concern that the Swedish people have felt about nuclear power since the Chernobyl accident and are therefore working for an immediate phase-out in cooperation with the Center Party and the VPK.

#### Positions Unchanged

Since the 1980 referendum on nuclear power, all the parties have stuck to their original positions, the only exception being the minor adjustment that Carlsson has now been forced into to hold the Social Democrats together on an old controversial issue.

Carlsson's concessions to the "doves" in his party are purely a party matter. There is no pressure from voter opinion outside the party or any technical reason forcing Carlsson to show great readiness to close two nuclear reactors between 1993 and 1996--although without saying for now which reactors might be affected.

In the spring of 1985, the government and Parliament set up a plan for phasing out nuclear power. According to that plan, government authorities were to commit themselves in 1990 to a specific outline for alternative energy sources and economic planning. As the next step--in 1995--the final legislative decisions on eliminating nuclear power were to be submitted to Parliament. Phase-out could then begin by 1997 at the earliest and be completed by 2010.

In the final days of April almost a year ago, the Chernobyl accident occurred. After summer was over, Prime Minister Ingvar Carlsson said that nuclear power was one of the biggest threats to our environment. "Our conviction that nuclear power must be done away with is growing stronger," said Carlsson in a speech that attracted much attention.

On 23 October of last year, the Energy Council's expert group presented its assessment of the Chernobyl accident and of the possible consequences as far as the safety of Swedish nuclear power was concerned.

The authors of the report wrote, in these exact words: "The Chernobyl accident gives no grounds for reappraising the technical risks presented by our reactors."

An immediate phasing out of nuclear power would result in major economic costs and problems for the nation. On the other hand, a gradual phase-out lasting until 2005 could provide a margin for action, according to the report.

## Same Level of Risk

It also said that the Barseback plant's two reactors could not be shut down for at least 4 or 5 years without serious jeopardy to southern Sweden's electricity supplies.

The expert group's assessment of the nuclear accident therefore gave the politicians no reason to reappraise the technical risks presented by reactors of the type we have in Sweden.

Carlsson invited the other parties in Parliament to participate in talks and learned that those parties still held to the positions, either for or against nuclear power, that they had held for the previous 10 years.

After a little foot shuffling by Bengt Westerberg, the Liberal Party as a whole stuck to the stand it had taken in the referendum: nuclear power could be phased out by 2010, and a plan for energy alternatives could be started immediately.

## Reactor out of Order

The Center Party and VPK had wanted to phase out nuclear power over 10 years, beginning with Ringhals 2--the reactor that is out of order--and the Barseback plant.

The Center Party's demand that a start be made in 1987 was part of a phase-out plan going beyond the demands it had pushed before the referendum, when it had wanted to shut down six reactors, representing 20 terawatt-hours (TWh), over a 10-year period. The stepped-up plan being presented this time called for 12 reactors (representing 60 TWh) to be phased out over 12 or 13 years.

The most important thing, according to the Center Party, was to indicate a starting point as a signal to industry and a demonstration of the politicians' will to really shut down nuclear power.

The Conservatives stated that nuclear power should be used as long as it was profitable and safe. The year 2010 should not be an absolute deadline.

The Conservatives pointed out that the common text on the ballots for policies 1 and 2 in the referendum stated that "there shall be no further expansion of nuclear power," that "nuclear power shall be phased out at a rate compatible with the need for electric power and the maintenance of employment and welfare levels," and that "safety considerations shall be decisive as regards the order in which the reactors will be taken out of service."

## Question of Interpretation

The year 2010 has no basis in the referendum decision. The Conservatives pointed out that it had resulted from the interpretation made primarily by the parties supporting policy 2 (the Social Democrats and the Liberal Party).

Carlsson strove for and hoped to get support for a new phase-out decision in this year's bill that would be more broadly based than that achieved in 1981.

He quickly ruled out the Conservatives following their statements. The Liberal Party was already on the government bandwagon, and perhaps the Center Party could be enticed into a compromise.

The results of the balancing act which Carlsson had to perform in his party provide no hope for broad agreement on the issue of nuclear power. The Center Party is sticking to its own phase-out policy and is not tempted by Carlsson's soft start. Instead, he is also losing the Liberal Party as an ally.

The Social Democrats will have to go it alone in Parliament against a divided opposition.

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